



**MERDEKA CORPORATE FINANCE LIMITED**

领智企业融资有限公司

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24 October 2025

*To: The Independent Board Committee of  
Bright Future Technology Holdings Limited*

Dear Sirs or Madams,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
FUZE SECURITIES (INTERNATIONAL) LIMITED  
FOR AND ON BEHALF OF SWIFT ASCENT LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
BRIGHT FUTURE TECHNOLOGY HOLDINGS LIMITED  
(OTHER THAN THOSE SHARES ALREADY OWNED AND/OR AGREED  
TO BE ACQUIRED BY SWIFT ASCENT LIMITED AND  
PARTIES ACTING IN CONCERT WITH IT)**

**INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee in relation to the Offer, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the composite document dated 24 October 2025 (the “**Composite Document**”) jointly issued by the Offeror and Bright Future Technology Holdings Limited (the “**Company**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in this Composite Document unless the context requires otherwise.

As set out in the Board Letter, on 15 September 2025 (before trading hours), the Vendors and the Offeror entered into the Sale and Purchase Agreement, pursuant to which the Vendors agreed to sell and transfer and the Offeror agreed to purchase the Sale Shares, being 321,897,769 Shares in aggregate, representing approximately 53.65% of the total issued share capital of the Company as at the the Latest Practicable Date, free from all encumbrances, for a total cash Consideration of HK\$80,474,442.25.

Immediately after Completion and as at the Latest Practicable Date, the Offeror and Ms. Jiang (and parties acting in concert with any of them) holds 321,897,769 Shares, representing approximately 53.65% of the entire issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is therefore required to make a mandatory unconditional cash offer for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it). The Offer will be made to the Independent Shareholders.

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

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Liu Kin Wai, Mr. Lin Sen and Mr. Zhao Qiang, has been established in accordance with Rule 2.1 of the Takeovers Code to advise and give a recommendation to the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. In our capacity as the Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee as to whether the Offer is fair and reasonable and as to acceptance so far as the Independent Shareholders are concerned.

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

## **OUR INDEPENDENCE**

We are independent of and not connected with the Vendors, the Company, the Offeror, Mr. Dong, Mr. Yang, Ms. Jiang and any of their respective substantial shareholders, or any party acting, or presumed to be acting, in concert with any of them. During the past two years immediately preceding and up to the date of our appointment as the Independent Financial Adviser, save for this appointment as the Independent Financial Adviser in respect of the Offer, there were no other engagements between Merdeka and the Group or the Offeror. Apart from the normal advisory fee payable to us in connection with our appointment as the Independent Financial Adviser to advise the Independent Board Committee, no arrangement exists whereby we shall receive any other fees or benefits from the Offeror and the Company or any of their respective substantial shareholders or any person acting, or deemed to be acting, in concert with any of them. Accordingly, we are considered eligible to give independent advice on the Offer.

## **BASIS OF OUR ADVICE**

In formulating our opinion, we have reviewed, among other things, (i) the Joint Announcement; (ii) the Composite Document; (iii) the interim report of the Company for the six months ended 30 June 2025 (the “**2025 Interim Report**”); (iv) the annual reports of the Company for the years ended 31 December 2023 (the “**2023 Annual Report**”) and 2024 (the “**2024 Annual Report**”); and (v) relevant public information.

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

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

The Directors have confirmed that, to the best of their information and knowledge, they believe that no material fact or information has been omitted from the information supplied and that the representations made or opinions expressed have been arrived at after due and careful consideration and there are no other facts or representations the omission of which would make any statement in this Composite Document, including this letter, misleading.

While we have taken reasonable steps to satisfy the requirements under the Takeovers Code and the Listing Rules, we have not carried out any independent verification of the information, opinions or representations given or made by or on behalf of the Company or the Offeror as set out in this Composite Document, nor have we conducted an independent investigation into the business affairs or assets and liabilities of the Group or any of the other parties involved in the Offer.

We have not considered the tax and regulatory implications on the Independent Shareholders of acceptance or non-acceptance of the Offer since these depend on their individual circumstances. In particular, the Independent Shareholders who are resident overseas or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax positions, and if in any doubt, should consult their own professional adviser.

This letter is issued for the information of the Independent Board Committee solely in connection with their consideration of the Offer, and except for its inclusion in this Composite Document, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

## PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Offer, we have considered the principal factors and reasons as set out below:

### 1. Background information on the Group

#### 1.1 Principal business

The Company was incorporated in the Cayman Islands with limited liability and its issued Shares are listed on the Main Board of the Stock Exchange. The Company is an investment holding company. The Group is principally engaged in the provision of intelligent marketing solutions services, comprised of two key components, namely, “influential placement services” and “integrated intelligent marketing solutions services”, in the PRC.

#### 1.2 Historical financial information

Set out below is a summary of the consolidated results of the Group for (i) the six months ended 30 June 2024 (“HY2024”) and 2025 (“HY2025”) as extracted from the 2025 Interim Report and (ii) the years ended 31 December 2023 (“FY2023”) and 2024 (“FY2024”) as extracted from the 2024 Annual Report.

	For the six months ended		For the year ended	
	30 June		31 December	
	2025	2024	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Revenue	668,121	480,287	1,039,223	892,433
– <i>Integrated intelligent marketing solutions services</i>	658,318	469,895	1,023,471	868,141
– <i>Influential placement services</i>	9,803	10,392	15,752	24,292
Gross profit	32,314	30,468	61,299	80,545
Operating profit/(loss)	1,129	6,413	(1,580)	24,035
(Loss)/Profit for the period/year	(1,653)	3,542	(6,494)	14,812

	<b>As at 30 June</b>	<b>As at 31 December</b>	
	<b>2025</b>	<b>2024</b>	<b>2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)	(Audited)
Total assets	580,146	449,355	478,682
– <i>Non-current assets</i>	11,279	10,428	9,411
– <i>Current assets</i>	568,867	438,927	469,271
Total liabilities	437,314	306,703	331,372
– <i>Current liabilities</i>	348,930	222,835	280,193
– <i>Non-current liabilities</i>	88,384	83,868	51,179
	<u>142,832</u>	<u>142,652</u>	<u>147,310</u>
Total equity	<u>142,832</u>	<u>142,652</u>	<u>147,310</u>

*For the six months ended 30 June 2024 and 2025*

During HY2025, the Group recorded revenue of approximately RMB668.1 million as compared to approximately RMB480.3 million for the corresponding period in 2024, representing an approximate increase of RMB187.8 million or 39.1%. Such increase was primarily attributable to the growth resulting from the Group's focus on growing its integrated intelligent marketing solutions services.

During HY2025, the Group recorded gross profit of approximately RMB32.3 million compared to approximately RMB30.5 million for HY2024, representing an increase of approximately RMB1.8 million or 6.1%. The increase in gross profit was primarily attributable to the growth resulting from the Group's focus on the growth of its integrated intelligent marketing solutions services.

During HY2025, the Group recorded loss of approximately RMB1.7 million as compared to profit of approximately RMB3.5 million for HY2024, representing a decrease of approximately RMB5.2 million or 146.7%. The decrease in profit was primarily attributable to the increase in the Group's general and administrative expenses resulting from (i) the increase in R&D expenditure as a result of the Group's increased investment in artificial intelligence and other advanced technologies to improve customer experience and enhance operational efficiency; and (ii) the increase in office expenses and other expenses as a result of the Group's proactive expansion and development of new businesses.

As at 30 June 2025, the Group recorded total assets of approximately RMB580.1 million, representing an increase of approximately 29.1% as compared to approximately RMB449.4 million as at 31 December 2024. The Group's total liabilities increased to approximately RMB437.3 million as at 30

June 2025, representing an increase of approximately 42.6% from approximately RMB306.7 million as at 31 December 2024. The total equity of the Group remained broadly stable at approximately RMB142.8 million as at 30 June 2025, as compared to approximately RMB142.7 million as at 31 December 2024.

*For the year ended 31 December 2023 and 2024*

During FY2024, the Group recorded revenue of approximately RMB1,039.2 million, representing an approximate increase of RMB146.8 million or 16.4% as compared to approximately RMB892.4 million recorded for FY2023. Such increase was largely contributed by the Group's focus on the growth of its integrated intelligent marketing solutions services.

During FY2024, the Group recorded gross profit of approximately RMB61.3 million, representing a decrease of approximately RMB19.2 or 23.9% as compared to approximately RMB80.5 million recorded for FY2023. The decrease in gross profit was primarily attributable to the increase in cost of services, in particular the increase in advertising traffic costs corresponding to the increase in revenue and the discounts offered by the Company to its customers.

During FY2024, the Group recorded a loss of approximately RMB6.5 million, representing a decrease of approximately RMB21.3 million or 143.8% as compared to profit of approximately RMB14.8 million recorded for FY2023. Such decrease was primarily attributable to (i) the rise in cost of services particularly from advertising traffic costs corresponding to the revenue growth, along with the discounts provided by the Group to its customers, which led to a decline in gross profit; and (ii) the reduction in other gains – net resulting from the cancellation of value-added tax addition and deduction within the industry in which the Group operated in 2024, as well as a decrease in government grants.

As at 31 December 2024, the Group recorded total assets of approximately RMB449.4 million, representing a decrease of approximately 6.1% as compared to approximately RMB478.7 million as at 31 December 2023. The Group's total liabilities decreased to approximately RMB306.7 million as at 31 December 2024, representing a decline of approximately 7.4% from approximately RMB331.4 million as at 31 December 2023. The total equity of the Group amounted to approximately RMB142.7 million as at 31 December 2024, representing a decrease of approximately 3.2% as compared to approximately RMB147.3 million as at 31 December 2023.

## **2. Background and intention of the Offeror**

### ***2.1 Background information on the Offeror***

The Offeror is a company incorporated in the BVI with limited liability and is principally engaged in investment holding. The Offeror is wholly owned by Ms. Jiang.

Ms. Jiang, aged 37, has 15 years of experience in finance and accounting. She holds a 50% equity interest in Shanghai Hengchang Network Co., Limited\* (上海亨昌網絡科技有限公司) (“**Shanghai Hengchang**”), a company incorporated in the PRC and principally engaged in the business of online advertising agency services, where she has also been serving as the Chief Financial Officer since 2018. Prior to that, she held an accounting role at Unitrans Group Co., Limited\* (中聯運通控股集團有限公司) from 2010 to 2018. Ms. Jiang graduated from Jiangnan University in 2010.

Ms. Jiang has relevant experience in the Group’s business. Through her role as the Chief Financial Officer of Shanghai Hengchang, Ms. Jiang has been actively involved in areas such as advertising optimisation, date-driven campaign strategies, and marketing solutions. The businesses of Shanghai Hengchang and the Group both operate within the digital marketing sector and share overlapping and complementary service scopes. Her experience is therefore relevant and expected to support the Group’s continued development in intelligent marketing solutions.

### ***2.2 Intention of the Offeror in relation to the Group***

Following the close of the Offer, the Offeror intends that the Group will continue the principal business of the Group and will maintain the listing status of the Company. The Offeror will conduct a review of the business activities and assets of the Group for the purpose of formulating business plans and strategies for the future business development of the Group.

Subject to the results of the review, the Offeror may explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. As at the Latest Practicable Date, no investment or business opportunity has been identified nor have the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group. As at the Latest Practicable Date, the Offeror has no intention, negotiation, agreement, arrangement or understanding on (i) the disposal, restructuring or downsizing of the Company’s existing assets and/or business; and (ii) injecting any new business and/or assets into the Group.

\* For identification purposes only

As at the Latest Practicable Date, the Board is comprised of four executive Directors and three independent non-executive Directors. The Offeror intends to continue the employment of the existing management and employees of the Group (except for a proposed change to the members of the Board at a time no earlier than that permitted under the Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate).

The Offeror intends to nominate new director(s) to the Board with effect from a date which is no earlier than such date as permitted under the Listing Rules and the Takeovers Code or such later date as the Offeror considers to be appropriate. As at the Latest Practicable Date, (i) the Offeror has not yet identified any suitable candidate(s) for appointment to the Board; and (ii) none of the existing Directors has informed the Offeror of their intention to resign from the Board. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and/or the Listing Rules and further announcement(s) will be made as and when appropriate.

Ms. Jiang, being the sole director of the Offeror, intends to leverage on her knowledge, experience and network in the online advertising agency sector to assist the Group in reviewing the trends and market opportunities in the intelligent marketing solutions services industries and broadening its clientele and pool of business partners and/or service portfolio if appropriate.

Save for the Offeror's intention regarding the Group as set out above, the Offeror has no intention to (i) make material changes to the employment of the management and employees of the Group; and (ii) dispose of or redeploy the assets of the Group other than those in its ordinary and usual course of business.

As understood from the Board Letter, the Board is pleased to note the intention of the Offeror in relation to the Group as disclosed. The Board is willing to cooperate with the Offeror for the best interests of the Company and its Shareholders as a whole.

### **3. Prospects and outlook of the Group**

As advised by the Management, the Company is a mobile advertising company offering one-stop and tailor-made advertising services to customers in China. In light of this, we have reviewed the latest industry statistics on internet and mobile internet usage together with relevant government policies to assess the prospects of the Group.

According to the 55th Statistical Report on China's Internet Development (the "**55th Statistical Report**") published in May 2025 by the China Internet Network Information Center ("**CNNIC**"), a research institution directly under the Ministry of Industry and Information Technology, the number of internet users in China has continued to grow steadily. The internet user base increased from approximately 0.989 billion in December 2020 to 1.108 billion in December 2024, representing an internet penetration rate of approximately 78.6% of the national population in December 2024. As at June 2025, the



number of internet users further increased to about 1.123 billion, with a penetration rate of 79.7%. In line with this overall growth, the number of mobile internet users also increased steadily from approximately 0.986 billion in December 2020 to 1.105 billion in December 2024, and further rose to approximately 1.116 billion in June 2025, accounting for 99.4% of the total internet population. This demonstrates the dominant role of mobile devices as the primary means of internet access in China.

In tandem with the expansion of the internet user base, China's telecommunications infrastructure has also undergone substantial development. As at November 2024, the number of 5G base stations had increased from approximately 771,000 in December 2020 to about 4.191 million, accounting for 33.2% of all mobile base stations, which represented an improvement of 4.1 percentage points compared with December 2023. During the same period, the number of internet broadband access ports nationwide reached 1,199 million, a net increase of 63.6 million from December 2023. Within this total, fibre-to-the-home and optical access ports ("**FTTH/O ports**") accounted for approximately 96.5% of all broadband access ports nationwide. Furthermore, according to a press release published by the National Bureau of Statistics of China on 8 February 2025, mobile internet traffic in 2024 amounted to 337.6 billion gigabytes, representing a year-on-year increase of 11.6%.

On the demand side, internet applications permeate all aspects of social and economic activity. As at December 2024, online video users reached approximately 1,070 million (representing approximately 96.6% of all total internet users in China i.e. 1.108 billion internet users as at December 2024), short-video users amounted to 1,040 million (i.e. 95.5% of all total internet users in China), while online shopping users reached approximately 974 million (i.e. 82.3% of all total internet users in China), and live-streaming users reached approximately 833 million (i.e. 70.6% of all total internet users in China). These statistics highlight the pervasive role of mobile applications as indispensable platforms for entertainment, communication, e-commerce and online marketing.

Reflecting the usage trends of the internet as mentioned above, official statistics indicate continued robust growth in China's advertising sector, according to the China Advertising Industry Development Index Report (2025) published by the State Administration for Market Regulation in June 2025, the total advertising business revenue in China amounted to approximately RMB15,464.1 billion in 2024, representing an increase of about 17.9% as compared with approximately RMB13,120.7 billion in 2023. In the first quarter of 2025, the industry maintained a rapid growth momentum, with 881 leading enterprises and institutions recording advertising business revenue of RMB343.53 billion, representing an increase of approximately 11.3% year-on-year. Benefiting from the ongoing digital transformation of the industry, internet advertising has become the dominant medium, with its publishing revenue accounting for approximately 86.5% of all types of media advertising revenue during 2024, reflecting the continued migration of advertising spending towards online and digital platforms. The report further noted that emerging technologies such as artificial intelligence, big data, and cloud computing are driving

innovation in advertising formats and delivery, enhancing targeting precision and interactivity across digital media platforms.

Meanwhile, recent policy initiatives have further reinforced China's digital development. According to the official website of the State Council of the PRC, in January 2025, the State Council and the Ministry of Industry and Information Technology ("MIIT") jointly announced the key initiatives for the 2025 Action Plan regarding measures of advancing new industrialization and building a digital China (the "Plan"). Among other measures, the Plan emphasizes accelerating investment in 5G evolution and 6G innovation, promoting the dual-gigabit network upgrade (optical fibre and wireless), and optimizing the deployment of computing power centers, which will further strengthen the infrastructure foundation of China's digital economy. The Plan also highlights the integration of emerging technologies such as "AI Plus" into industrial applications, and provides support for the digital transformation of small and medium-sized enterprises, as well as the development of green and low-carbon data centers. These initiatives not only reflect the Chinese government's determination to foster a high-quality digital economy, but also provide a favourable policy environment for the sustained growth of internet applications and digital advertising.

Having considered the above, China's internet and mobile advertising markets are expected to continue expanding, underpinned by a steadily growing user base, widespread mobile access, and enhanced digital infrastructure. The rapid growth of short-video, live-streaming, and e-commerce platforms underscores the rising demand for content-driven and performance-based advertising services, which are aligned with the Group's principal business in intelligent marketing solutions services. Furthermore, the aforesaid supportive policies under the Plan will accelerate digital transformation and foster innovation across industries. Accordingly, we are of the view that the prospects and outlook of the Group remain positive, with more opportunities to capture growth from the expanding mobile advertising market in the PRC.

#### **4. Principal terms of the Offer**

Fuze Securities, for and on behalf of the Offeror, is making the Offer to acquire all the Offer Shares in compliance with the Takeovers Code and on the terms set out in this Composite Document and in the Form of Acceptance on the following basis:

**For each Offer Share . . . . . HK\$0.25 in cash**

The Offer Price of HK\$0.25 per Offer Share is the same as the price of HK\$0.25 per Sale Share (being the Consideration of HK\$80,474,442.25 divided by 321,897,769 Sale Shares) paid by the Offeror under the Sale and Purchase Agreement.

The Offer is unconditional in all respects. The Offer is extended to all Shares in issue other than those Shares held by the Offeror and parties acting in concert with it.

As at the Latest Practicable Date, 600,000,000 Shares were in issue and the Company does not have any outstanding options, derivatives, warrants or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares or which confer rights to require the issue of Shares.

The Company confirms that, as at the Latest Practicable Date, it has not declared any dividend which is not yet paid and 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 of the Offer.

#### ***4.1 Analysis on the Offer Price***

The Offer Price of HK\$0.25 per Offer Share represents:

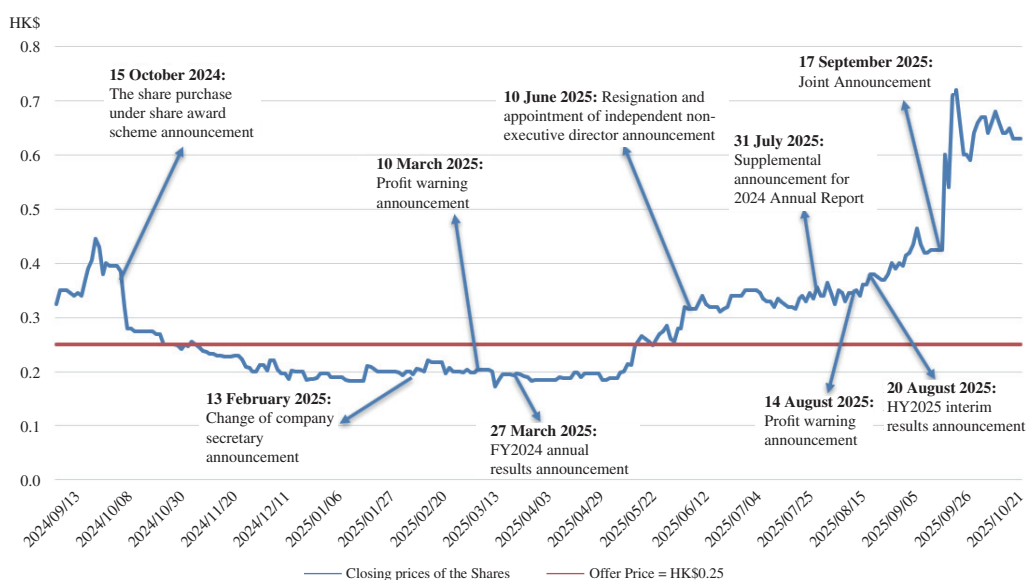
- (i) a discount of approximately 60.32% to the closing price of HK\$0.63 per Share as quoted on the Stock Exchange as at the Latest Practicable Date;
- (ii) a discount of approximately 41.18% over the closing price of HK\$0.425 per Share as quoted on the Stock Exchange on 12 September 2025, being the Last Trading Day;
- (iii) a discount of approximately 42.26% over the average closing price of HK\$0.433 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a discount of approximately 40.90% over the average closing price of HK\$0.423 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a discount of approximately 34.38% over the average closing price of approximately HK\$0.381 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (vi) a discount of approximately 3.85% to the audited net asset value per Share of approximately HK\$0.26 as at 31 December 2024, calculated based on the Group's audited consolidated net asset value attributable to the Shareholders as at 31 December 2024 of RMB142,652,000 (equivalent to approximately HK\$155,490,680), divided by a total of 600,000,000 issued Shares as at the Latest Practicable Date; and

(vii) a discount of approximately 3.85% to the unaudited net asset value per Share of approximately HK\$0.26 as at 30 June 2025, calculated based on the Group’s unaudited consolidated net asset value attributable to the Shareholders as at 30 June 2025 of RMB142,832,000 (equivalent to approximately HK\$155,686,880), divided by a total of 600,000,000 issued Shares as at the Latest Practicable Date.

#### 4.2 Historical performance of the Shares

Set out below is the chart showing the daily closing price of the Shares as quoted on the Stock Exchange during the period commencing from 13 September 2024, being the twelve-month period prior to the Last Trading Day (i.e. 12 September 2025), up to and including the Latest Practicable Date (the “Review Period”):

##### Share prices performance during the Review Period



Source: the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk))

Note: The trading of the Shares on the Stock Exchange was suspended at 9:00 a.m. on 15 September 2025 pending the release of the Joint Announcement. Trading of the Shares on the Stock Exchange was resumed at 9:00 a.m. on 18 September 2025.

We have reviewed the movements in the closing price of the Shares for the Review Period. We consider the length of the Review Period to be reasonably long enough to illustrate the relationship between the historical trend of the closing price of the Shares and the Offer Price.

The lowest and highest closing prices of the Shares during the Review Period were HK\$0.173 per Share recorded on 18 March 2025 and HK\$0.72 per Share recorded on 23 September 2025, as quoted on the Stock Exchange. The average daily closing price of the Shares during the Review Period is approximately HK\$0.2986 per Share.

The Offer Price of HK\$0.25 per Share represents (i) a premium of approximately 44.5% over the lowest closing price of HK\$0.173 per Share; (ii) a discount of approximately 65.3% to the highest closing price of HK\$0.72 per Share; and (iii) a discount of approximately 16.3% to the average daily closing price of approximately HK\$0.2986 per Share during the Review Period.

#### *Pre-Announcement Period*

During the period under review from 13 September 2024 to 12 September 2025 (being the Last Trading Day) (the “**Pre-Announcement Period**”), the lowest and highest closing price of the Shares were HK\$0.173 per Share recorded on 18 March 2025 and HK\$0.465 per Share recorded on 8 September 2025, respectively as quoted on the Stock Exchange. The average closing price of the Share is approximately HK\$0.2664 per Share.

The Offer Price of HK\$0.25 per Share represents (i) a premium of approximately 44.5% over the lowest closing price of HK\$0.173 per Share; (ii) a discount of approximately 46.2% to the highest closing price of HK\$0.465 per Share; and (iii) a discount of approximately 6.2% to the average daily closing price of approximately HK\$0.2664 per Share during the Pre-Announcement Period. In addition, the Offer Price of HK\$0.25 is (i) higher than the closing prices of Shares for 113 trading days; and (ii) equal to or lower than the closing prices of Shares for 133 trading days, out of the total of 246 trading days during the Pre-Announcement Period.

The above chart illustrates a generally volatile trend over the Pre-Announcement Period. Between September 2024 and December 2024, the closing prices of the Shares fluctuated within the range of approximately HK\$0.185 to HK\$0.445 per Share. Thereafter, the Shares weakened and reached the lowest point during Pre-Announcement Period of HK\$0.173 per Share in March 2025. From April to July 2025, the trading prices stayed broadly at a low level, before recording a marked rebound in August 2025. The Shares subsequently climbed to the peak of HK\$0.465 per Share on 8 September 2025 and closed at HK\$0.425 per Share on 12 September 2025 (i.e. the Last Trading Day).

As noted from the above chart, the closing price of the Shares dropped by approximately 16.9% following the publication of the announcement regarding the share purchase under the share award scheme on 15 October 2024.

We have made inquiries with the Management and were advised that save for the publication of (i) the voluntary announcement of the Company dated 15 October 2024 in relation to share purchase pursuant to the share award scheme; (ii) the announcement of the Company dated 13 February 2025 in relation to the change of company secretary and authorized representative; (iii) the profit warning announcement dated 10 March 2025; (iv) the annual results announcement of the Company dated 27 March 2025 for the year ended 31 December 2024; (v) the announcement dated 10 June 2025 in relation to the resignation and appointment of independent non-executive director and change in composition of the board committees; (vi) the supplemental announcement dated 31 July 2025 in relation to annual report for the year ended 31 December 2024; (vii) the profit warning announcement of the Company dated 14 August 2025; (viii) the interim results announcement of the Company dated 20 August 2025 for the six months ended 30 June 2025; and (ix) the Joint Announcement on 17 September 2025, the Directors were not aware of any specific reasons that may have an impact on the fluctuations of Share prices during the Pre-Announcement Period.

#### *Post-Announcement Period*

During the period under review from 18 September 2025 (i.e. day of resumption of trading after publication of the Joint Announcement) up to and including the Latest Practicable Date, (the “**Post-Announcement Period**”), the Offer Price of HK\$0.25 per Share represents (i) a discount of approximately 53.7% to the lowest closing price of HK\$0.54 per Share; (ii) a discount of approximately 65.3% to the highest closing price of HK\$0.72 per Share during the Post-Announcement Period; and (iii) a discount of approximately 61.1% to the average daily closing price of approximately HK\$0.6418 per Share during the Post-Announcement Period.

We have enquired into the possible reasons attributed to the notable surge of closing price of Shares subsequently after the publication of the Joint Announcement and as confirmed by the Directors, save for the information as set out in the Joint Announcement, the Directors were not aware of any matters which might have a material effect on the price of Shares. We consider that such increase in the closing price of Shares after the release of the Joint Announcement may be attributable to market reactions to the Offer and there is no assurance that the closing price of Shares will rise or continue to maintain at a level equal to or above the Share Offer Price after the Latest Practicable Date and/or after closing of the Offer.

Given the above and having considered that the Offer Price (i) represents a discount of approximately 16.3% to the average daily closing price of the Shares of HK\$0.2986 during the Review Period; (ii) the Offer Price is equal to or lower than the closing prices of the Shares for over half of the number of trading days during the Pre-Announcement Period and is lower than the closing prices of Shares for all trading days during the Post Announcement Period; (iii) represents discount of approximately 41.18% to the closing price of the Shares as at the Last Trading Day and discount of approximately 42.26%, 40.90% and 34.38% to the respective closing price of the Shares for 5, 10 and 30 consecutive trading days immediately prior to and including the Last Trading Day; and (iv) represents a discount of approximately 60.32% to the closing price of the Shares of HK\$0.63 as at the Latest Practicable Date, we are of the view that the Offer Price is unattractive and therefore not fair and reasonable from the perspective of the historical market trading price performance of the Shares.

**Independent Shareholders should note that the information set out above is not an indicator of the future performance of the Shares and that the price of the Shares may increase or decrease from the closing price after the Latest Practicable Date.**

### 4.3 Historical trading volume of the Shares

The following table sets out the historical monthly trading volumes of the Shares and the percentage of the number of Shares traded as compared to the total number of Shares in issue during the Review Period.

Month/Period	Total trading volume for month/period (number of Shares)	Number of trading days during the month (days)	Average daily trading volume for month/period (number of Shares)	Percentage of average daily trading volume to total number of the Shares in issue as at the Latest Practicable Date (Note 3)	Percentage of average daily trading volume to total number of the Shares held by public Shareholders as at the Latest Practicable Date (Note 4)
<b>2024</b>					
13 to 30 September	5,052,000	11	459,273	0.0765%	0.2258%
October	21,084,000	21	1,004,000	0.1673%	0.4935%
November	1,506,000	21	71,714	0.0120%	0.0353%
December	1,072,000	20	53,600	0.0089%	0.0263%
<b>2025</b>					
January	540,000	19	28,421	0.0047%	0.0140%
February	248,000	20	12,400	0.0021%	0.0061%
March	264,000	21	12,571	0.0021%	0.0062%
April	124,000	19	6,526	0.0011%	0.0032%
May	2,814,000	20	140,700	0.0235%	0.0692%
June	5,002,000	21	238,190	0.0397%	0.1171%
July	7,250,000	22	329,545	0.0549%	0.1620%
August	10,850,000	21	516,667	0.0861%	0.2540%
September	67,558,000	22	3,070,818	0.5118%	1.5094%
From 1 October to the Latest Practicable Date	33,914,000	13	2,608,769	0.4348%	1.2823%
		<b>Minimum</b>	6,526	0.0011%	0.0032%
		<b>Maximum</b>	3,070,818	0.5118%	1.5094%
		<b>Average</b>	610,943	0.1018%	0.3003%

Source: [www.hkex.com.hk](http://www.hkex.com.hk)



*Notes:*

1. The Review Period commenced on 13 September 2024.
2. The trading of the Shares on the Stock Exchange was suspended at 9:00 a.m. on 15 September 2025 pending the release of the Joint Announcement. Trading of the Shares on the Stock Exchange was resumed at 9:00 a.m. on 18 September 2025.
3. Based on 600,000,000 Shares in issue as at the Latest Practicable Date.
4. Based on 203,442,531 Shares held by public Shareholders as at the Latest Practicable Date.

As illustrated above, the average daily trading volume of the Shares as a percentage of the total number of the Shares in issue as at the Latest Practicable Date ranged from the lowest of approximately 0.0011% in April 2025 to the highest of approximately 0.5118% in September 2025, with an average daily trading volume of approximately 0.1018% of the total number of issued Shares as at the Latest Practicable Date.

If only Shares held by public Shareholders (the “**Free Float Shares**”) are considered in calculating the percentage of average daily trading volume of the Shares as at the Latest Practicable Date, the average trading volume of the Free Float Shares during the Review Period ranged from the lowest of approximately 0.0032% in April 2025 to the highest of approximately 1.5094% in September 2025 with an average daily trading volume of approximately 0.3003% of the total number of Free Float Shares as at the Latest Practicable Date. Therefore, the trading volume of the Shares was generally thin in the Review Period and illiquid in the open market.

Given the overall thin historical trading volume of the Shares during the entire Review Period, the Independent Shareholders (especially those with relatively sizeable shareholdings) may find it difficult to dispose of a large volume of Shares in the open market at a fixed cash price within a short period of time without exerting downward pressure on the Share prices.

The Independent Shareholders are also advised to consider selling their Shares in the open market instead of accepting the Offer given the closing prices of the Shares had been staying well above the Offer Price during the Post-Announcement Period, after taking into account the possible pressure on the Share price when selling in bulk, if net proceeds from such sale of Shares would exceed the net amount receivable under the Offer. Independent Shareholders should also be aware that they may have to sell their Shares in the market by batches if they do not accept the Offer, given that the average daily trading volume of the Shares during the Review Period ranged from approximately 6,526 Shares to approximately 3,070,818 Shares as shown in the table above.

#### **4.4 Comparable Analysis**

In assessing the fairness and reasonableness of the Offer Price, we have considered using the price-to-earnings ratio (the “**P/E ratio**”) analysis, the price-to-book ratio (the “**P/B ratio**”) analysis, and the price-to-sales ratio (the “**P/S ratio**”) to compare the Offer Price against the market valuation of other comparable companies. It is noted that P/E ratio, P/B ratio, and P/S ratio analysis are commonly adopted valuation methods in the valuation of companies.

Given that the Group was loss-making and no dividend was distributed for the last financial year, the P/E ratio analysis and dividend yield analysis are not applicable. Meanwhile, the P/B ratio analysis is generally more typical for asset-heavy companies. As the Company operates an asset-light business model in the digital marketing and artificial intelligence sector, where its value is primarily derived from proprietary technology, client relationships, and growth potential rather than tangible net assets, we consider that the P/B ratio analysis will not be a suitable valuation method to assess the fairness and reasonableness of the Offer Price. Therefore, we have adopted the P/S ratio analysis.

Based on the Offer Price of HK\$0.25 per Offer Share and the total number of issued Shares of 600,000,000 as at the Latest Practicable Date, the Company is valued at approximately HK\$150 million. The P/S ratio of the Company implied by the Offer Price is approximately 0.13 times (the “**Implied P/S Ratio**”) based on the revenue of the Group for FY2024 of approximately RMB1,039.2 million (equivalent to approximately HK\$1,133.4 million).

Given that approximately 98.4% of the Group’s total revenue for FY2024 is derived from providing the integrated intelligent marketing solutions services in the PRC, for the purpose of our comparable analysis, we have identified comparable companies based on the following criteria: (i) the shares of which are listed on the Main Board of the Stock Exchange and were not subject to any prolonged suspension of trading (i.e. suspended for three months or more) as at the Latest Practicable Date; and (ii) principally engages in the provision of the marketing and/or advertising services in the PRC with majority (i.e. more than 50%) of the revenue being derived from this segment, which is comparable to that of the Company. Based on the aforesaid selection criteria and to the best of our effort, we identified 11 comparable companies (the “**Comparable Companies**”).

We observed that, since Qunabox Group Limited (“**Qunabox**”, stock code: 917) initial public offering in May 2024, the share price of Qunabox has surged by approximately 5.4 times from its initial public offering price of HK\$25 to the highest closing price of HK\$134.2 on 30 June 2025 and remained at HK\$74.55 on the Last Trading Day, with its market capitalisation amounted to approximately HK\$19,808.3 million, which is significantly higher than that of the other Comparable Companies. Hence, the P/S ratio of Qunabox is substantially higher than the range of P/S ratios of

other Comparable Companies, which would distort the average and range-based valuation benchmarks of the Comparable Companies, and with a view to ensure the Comparable Companies reflect the general market conditions, Qunabox is considered as an outlier and was excluded from our analysis.

Therefore, we believe the remaining 10 Comparable Companies selected based on the above selection criteria are exhaustive.

We set out our findings in the table below:

No.	Company name (stock code)	Principal activity	Market capitalization as at the Last Trading Day (HK\$' million) (Note 1)	P/S ratio (times) (Notes 2 & 6)
1	Qunabox Group Limited (stock code: 917)	The group is engaged in marketing services, merchandise sales and other services in the PRC.	19,808.3	13.56 (Note 3)
2	Beijing Media Corporation Limited (stock code: 1000)	The group is principally engaged in the sales of multi-interface convergence media advertising, event planning, new media operation and maintenance, printing and trading of printing-related materials and youth student travel.	36.8	0.16
3	Wanka Online Inc. (stock code: 1762)	The group primarily provides integrated services such as mobile advertising, content distribution, and game co-publishing services to smartphone manufacturers, advertisers, and content developers.	1,929.7	0.67

No.	Company name (stock code)	Principal activity	Market capitalization as at the Last Trading Day (HK\$' million) (Note 1)	P/S ratio (times) (Notes 2 & 6)
4	Doumob (stock code: 1917)	The group is principally engaged in the provision of marketing services and other sales in the PRC.	117.3	1.84
5	UJU HOLDING LIMITED (stock code: 1948)	The group is principally engaged in provision of one-stop cross-media online marketing solutions through media partners to market the products and services of the Group's advertiser customers, provision of advertisement distribution services, live streaming e-commerce services (including provision of live streaming e-commerce services and sales of goods in online media platforms).	3,024.0	0.30
6	Rego Interactive Co., Ltd (stock code: 2422)	The group is engaged in the provision of corporate digitalisation solution service and industry digitalisation solution service in the PRC.	622.5	2.33
7	Plus Group Holdings Inc. (stock code: 2486)	The company is an investment holding company and its subsidiaries are principally engaged in the customised marketing solution, task and marketers matching service, marketers assignment service and SaaS+ subscription and other services in the PRC.	706.4	0.62

No.	Company name (stock code)	Principal activity	Market capitalization as at the Last Trading Day (HK\$' million) (Note 1)	P/S ratio (times) (Notes 2 & 6)
8	Lesi Group Limited (stock code: 2540)	The group is principally engaged in the provision of mobile advertising services.	745.0	1.00
9	MetaLight Inc. (stock code: 2605)	The group is principally engaged in the provision of mobile advertising services and vehicle dynamic information via app and mini program in WeChat, both of which are known as Chelaile, and data technology services.	735.9	3.27
10	Many Idea Cloud Holdings Limited (stock code: 6696)	The group is principally engaged in provision of content marketing services, digital marketing services, public relations event planning services, media advertising services and SaaS interactive marketing services in the PRC.	62.4	0.03
11	Activation Group Holdings Limited (stock code: 9919)	The group is principally engaged in provision of experiential marketing services; provision of digital and communication services; and IP development regarding the management and operation of sports events.	759.6	0.82
			Maximum	3.27
			Minimum	0.03
			Average	1.11
			Median	0.75

No.	Company name (stock code)	Principal activity	Market capitalization as at the Last Trading Day (HK\$' million) (Note 1)	P/S ratio (times) (Notes 2 & 6)
	The Company	The Group is principally engaged in the provision of intelligent marketing solutions services, comprised of two key components, namely, “influential placement services” and “integrated intelligent marketing solutions services”, in the PRC.	150.0 (Note 4)	0.13 (Note 5)

*Sources: the website of the Stock Exchange (www.hkex.com.hk) and the financial reports of the respective Comparable Companies*

*Notes:*

1. The market capitalisation of each Comparable Company was calculated based on the closing share prices and the total issued shares of the Comparable Companies as at the Last Trading Day.
2. The P/S ratio was based on the then market capitalisation of Comparable Companies as at the Last Trading Day, divided by the total revenue of the Comparable Companies as stated in their respective latest available annual report or prospectus.
3. Qunabox has been identified as an outlier and excluded from the Comparable Companies analysis.
4. The market capitalisation of the Company is calculated based on the Offer Price of HK\$0.25 and the number of issued Shares as at the Last Trading Day (i.e. 600,000,000 Shares).
5. The Implied P/S Ratio of approximately 0.13 times is based on (a) the implied market capitalization of the Company of approximately HK\$150 million based on the Offer Price and the issued number of Shares as at the Latest Practicable Date; and (b) the audited total revenue of the Group of approximately RMB1,039.2 million (equivalent to approximately HK\$1,133.4 million) for FY2024 as extracted from the 2024 Annual Report.
6. The exchange rate of RMB1:HK\$1.0906 as referred to the Bloomberg.

As set out in the above table, the P/S ratios of the Comparable Companies (without outlier) ranged from approximately 0.03 times to approximately 3.27 times, with an average of approximately 1.11 times and a median of approximately 0.75 times. The Implied P/S Ratio of 0.13 times is (a) within the range of the Comparable

Companies; and (b) below the average and the median of the Comparable Companies, indicating that the valuation of the Company implied by the Offer Price represents a discount relative to the Comparable Companies. On this basis, we are of the view that the Offer Price is not fair and reasonable.

## **5. Public float and maintaining the listing status of the Company**

As stated in the “Letter from Fuze Securities” contained in this Composite Document, the Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury shares), are held by the public, or if the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
- that there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares.

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

## **RECOMMENDATION**

Having considered below factors and reasons:

- (i) the Offer Price is unattractive, given (i) the closing prices of the Shares has been trading above the Offer Price during the Post-Announcement Period; (ii) the Offer Price represents discount of approximately 41.18% to the closing price of the Shares as at the Last Trading Day and discount of approximately 42.26%, 40.90% and 34.38% to the respective closing price of the Shares for 5, 10 and 30 consecutive trading days immediately prior to and including the Last Trading Day; and (iii) the Offer Price represents a discount of approximately 60.32% to the closing price of the Shares of HK\$0.63 as at the Latest Practicable Date;
- (ii) as detailed in the sub-section headed “1.2 Historical financial information” in this letter, the revenue of the Group for HY2025 has improved by approximately 39.1% compared to HY2024, while the turnaround from the net profit of RMB3.5 million for HY2024 to net loss of approximately RMB1.7 million for HY2025 was mainly due to increase in R&D expenditure and expenses related to business expansion, the benefit of which have contributed to the growth in the Group’s revenue during the period and could gradually be realised and fully leveraged in the Group’s operations in future;

- (iii) as detailed in the sub-section headed “1.2 Historical Financial Information” in this letter, although the Group recorded a turnaround from a net profit of approximately RMB14.8 million for FY2023 to a net loss of approximately RMB6.5 million for FY2024, this was primarily due to (i) an increase in cost of services, particularly advertising traffic costs, together with discounts offered to customers, which are considered strategic in nature as they were implemented to attract new customers and to capture market share in order to expand the Group’s revenue base and strengthen its market position; and (ii) a decrease in other gains as a result of the cancellation of the additional deduction of value-added tax previously available to the Group, which represented a one-off tax incentive;
- (iv) as referred to the sectioned headed “2.1 background information of the Offeror” above, through Ms. Jiang’s role as the Chief Financial Officer of Shanghai Hengchang, which has similar business as the Group, she has been actively involved in areas such as advertising optimisation, date-driven campaign strategies, and marketing solutions. Therefore, Ms. Jiang’s experience is relevant and expected to support the Group’s continued development in intelligent marketing solutions;
- (v) the outlook of the China’s internet development and mobile advertising markets is expected to be positive due to the steadily growing user base, widespread mobile access, and enhanced digital infrastructure. The rapid growth of short-video, live-streaming, and e-commerce platforms underscores the rising demand for content-driven and performance-based advertising services, which are aligned with the Group’s principal business in intelligent marketing solutions services. Furthermore, the aforesaid supportive policies under the Plan will accelerate digital transformation and foster innovation across industries; and
- (vi) the Implied P/S Ratio of 0.13 times is (a) within the range of the Comparable Companies; and (b) below the average and the median of the Comparable Companies, indicating that the valuation of the Company implied by the Offer Price represents a discount relative to the Comparable Companies,

we are of the opinion that the Offer is not fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders not to accept the Offer.

Nevertheless, the Independent Shareholders should also note that (i) there is no guarantee that the Share price will sustain at a level above the Offer Price and/or after the Offer Period; and (ii) the Independent Shareholders (regardless to their amount of shareholdings) may not be able to realise their investments in the Shares at a price higher than the Offer Price when they are going to dispose of their partial or entire holdings. In such circumstances, the Offer might provide an exit alternative for the Independent Shareholders who would like to realise their investments in the Shares at the Offer Price of HK\$0.25. However, for those Independent Shareholders who intend to accept the Offer, we would remind them to closely monitor the market price and liquidity of the Shares during the Offer Period, and having regard to their own



circumstances, consider selling the Shares in the open market, instead of accepting the Offer, if the net proceeds from such sale of Shares would be higher than that receivable under the Offer. For those Independent Shareholders who intend to dispose of large blocks of Shares in the open market, we would also remind them of the possible difficulty in disposing of their Shares in the open market without creating downward pressure on the market prices of the Shares as a result of the thin trading in the Shares.

Those Independent Shareholders who decide to retain part or all of their investments in the Shares should carefully monitor the financial performance of the Group and be aware of the potential difficulties they may encounter in disposing of their investments in the Shares at a price higher than the Offer Price after the Offer Period, given the generally low trading volume during the Review Period.

Yours faithfully,  
For and on behalf of  
**Merdeka Corporate Finance Limited**



**Wallace So**  
*Managing Director*

*Mr. Wallace So is a licensed person registered with the Securities and Futures Commission of Hong Kong, a responsible officer of Merdeka Corporate Finance Limited to carry out type 6 (advising on corporate finance) regulated activity under the SFO and a licensed representative of Merdeka Investment Management Limited to carry out type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO. Mr. Wallace So has over 13 years of experience in corporate finance industry.*