

22 October 2026

To the Independent Board Committee

Dear Sirs,

**MANDATORY UNCONDITIONAL CASH OFFERS BY
EDDID CAPITAL LIMITED AND RED SUN CAPITAL LIMITED
FOR AND ON BEHALF OF THE OFFEROR
TO ACQUIRE ALL THE ISSUED SHARES OF THE COMPANY
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED
TO BE ACQUIRED BY THE OFFEROR
AND THE PARTIES ACTING IN CONCERT WITH IT) AND
TO CANCEL ALL OUTSTANDING OPTIONS OF THE COMPANY**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Offers. Details of the Offers are set out in the “Letter from Red Sun Capital and Eddid Capital” enclosed in the composite document dated 22 October 2026 (the “**Composite Document**”), of which this letter forms a part. Capitalised terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

Reference is made to (i) the Joint Announcement in relation to, among others, the Sale and Purchase Agreement entered into by the Offeror and the Seller on 28 April 2026 for the sale and purchase of 75,959,948 Shares (representing approximately 51.9% of the issued share capital of the Company as at the date of the Joint Announcement); (ii) the joint announcement dated 30 September 2026 in relation to, among others, fulfillment of conditions precedent to the Sale and Purchase Agreement (the “**CP Satisfaction Announcement**”); (iii) the Completion Announcement in relation to the SPA Completion; (iv) the Company’s announcements issued pursuant to Rule 3.8 of the Takeover Codes dated 27 April 2026, 21 May 2026, 3 July 2026, 9 July 2026, 17 July 2026, 20 July 2026, 22 July 2026, 10 August 2026 and 13 October 2026; and (v) the Company’s announcement dated 29 June 2026 in relation to the declaration of the Final Dividend of HK\$0.02 per Share and the Special Cash Dividend of HK\$0.08 per Share, both of which were approved at the annual general meeting of the Company held on 28 July 2026.

On 29 September 2026, all the conditions precedent to the Sale and Purchase Agreement had been fulfilled and SPA Completion took place on 15 October 2026. The total consideration for the Sale Shares of HK\$62,132,430, or approximately HK\$0.818 per Sale Share, less the initial deposit of HK\$3,000,000 already paid, had been settled by the Offeror upon SPA Completion.

Immediately following SPA Completion and as at the Latest Practicable Date, the Offeror and its parties acting in concert were interested in 75,959,948 Shares, representing approximately 50.1% of the issued share capital of the Company. The Offeror is therefore required to make the mandatory unconditional general offers in cash to (i) acquire all the issued Shares, other than those already owned and/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; and (ii) to cancel all the outstanding Options at an appropriate price in compliance with Rule 13 of the Takeovers Code.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. CHENG Yuk Wo, Mr. YUEN Kam Tim Francis and Ms. KHOO Pui Wun, has been established to advise the Offer Shareholders and Optionholders as to whether the Offers are fair and reasonable and as to acceptance of the Offers.

INDEPENDENT FINANCIAL ADVISER

We, Amasse Capital Limited, have been appointed as the Independent Financial Adviser with the approval of the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in respect of the Offers and, in particular, as to whether the Offers are fair and reasonable and as to the acceptance of the Offers.

OUR INDEPENDENCE

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

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

Accordingly, we consider that we are independent pursuant to Rule 2.6 of the Takeovers Code and Rule 17.96 of the GEM Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have reviewed, among others, the annual reports of the Company for the years ended 31 March 2024, 2025 and 2026 (the “**2024 Annual Report**”, the “**2025 Annual Report**” and the “**2026 Annual Report**”, respectively), the positive profit alert announcement of the Company dated 22 September 2026 (the “**Positive Profit Alert Announcement**”), the Joint Announcement, the Completion Announcement and the Composite Document. We have relied on the accuracy of the information and facts contained or referred to in the Composite Document and provided to us by the Directors and the management of the Company (collectively, the “**Management**”). We have assumed that all information and representations contained or referred to in the Composite Document and/or provided to us were true, accurate and complete in all material respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to the Latest Practicable Date of the Composite Document. We have also assumed that all statements of belief, opinion and intention made by the Directors in the Composite Document were reasonably made after due enquiries and considerations. We have no reasons to doubt that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have reviewed sufficient information to enable us to reach an informed view and to justify reliance on the accuracy of the information contained in the Composite Document and to provide a reasonable basis for our opinion and recommendation. The Directors have declared in a responsibility statement set out in the Appendix V to the Composite Document that they jointly and severally accept full responsibility for the accuracy of the information contained in the Composite Document. We have not, however, carried out any independent verification of the information provided by the Company and the Directors, nor have we conducted an independent investigation into the business and affairs, financial condition and future prospects of the Group. Our opinion is based on the Directors’ representation and confirmation that there is no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Offers.

In formulating our opinion, we have not considered the tax implication on the Offer Shareholders and Optionholders arising from acceptances or non-acceptances of the Offers as these are particular to their individual circumstances. It is emphasised that we will not accept responsibility for any tax effect on or liability of any person resulting from his or her acceptance or non-acceptance of the Offers. In particular, the Offer Shareholders and

Optionholders who are residents outside Hong Kong or subject to overseas tax or Hong Kong taxation on securities dealings should consider their own tax position, and if in any doubt, should consult their own professional advisers.

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

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

THE OFFERS

Red Sun Capital and Eddid Capital are, for and on behalf of the Offeror, jointly making the mandatory unconditional cash offers to (i) acquire all the issued Shares, other than those already owned and/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; and (ii) to cancel all the outstanding Options at an appropriate price in compliance with Rule 13 of the Takeovers Code on the following terms:

The Share Offer

For each Offer Share HK\$0.818 in cash

The Share Offer Price of HK\$0.818 per Offer Share is based on the purchase price per Sale Share paid by the Offeror under the Sale and Purchase Agreement by rounding up to 3 decimal places.

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

The Share Offer is extended to all Offer Shareholders in accordance with the Takeovers Code. The Share Offer applies to all Shares in issue on the date on which the Share Offer is made, being the date of despatch of the Composite Document, other than those Shares already held by and/or agreed to be acquired by the Offeror and the parties acting in concert with it.

The Offer Shares to be acquired under the Share Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them, including the

rights to receive all dividends (except for the Special Cash Dividend and the Final Dividend) and distributions, if any, declared, made or paid on or after the date on which the Share Offer is made, being the date of despatch of the Composite Document.

The Option Offer

For the cancellation of each Option HK\$0.098 in cash

As at the Latest Practicable Date, the Company has 2,497,000 outstanding Options granted under the Share Option Scheme with an exercise price of HK\$0.72, comprising 66,000 vested Options and 2,431,000 unvested Options which are exercisable from 18 December 2026. Save as disclosed in this section, there are no other outstanding Shares, warrants, options, derivatives or securities that are convertible into Shares or other types of equity interest in the Company.

The Option Offer Price at which the Option Offer is made represents the “see-through” price, being the Share Offer Price minus the exercise price of the Options (being HK\$0.72).

Following acceptance of the Option Offer, all the relevant Options (together with all rights attaching to the Options) will be cancelled and renounced.

Pursuant to the terms and conditions of the Share Option Scheme, if a general offer is made to all the Shareholders and such general offer becomes or is declared unconditional, the Optionholders shall, notwithstanding any other terms on which Options were granted, be entitled to exercise the Options (to the extent vested but not already exercised) to the full extent or to the extent specified in the Optionholders’ notice to the Company in accordance with the provisions of the Share Option Scheme at any time thereafter and up to the close of such offer (or any revised offer). In the event that an Optionholder exercises any outstanding Options before the close of the Share Offer, the Shares issued pursuant to the exercise of such Options shall form part of the Offer Shares and be subject to the Share Offer. **Any vested and unvested Options (to the extent not already exercised) will lapse at the close of the Offers.**

PRINCIPAL FACTORS TAKEN INTO CONSIDERATION

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

1. Information and financial performance of the Group

The Company was incorporated in the Cayman Islands with limited liability and its issued Shares have been listed on GEM since March 2017. The Company is an investment holding company and the Group’s operating subsidiaries are mainly engaged in the provision of corporate finance advisory services and asset management services in Hong Kong. According to the 2026 Annual Report, substantially all of the Group’s revenue are derived from Hong Kong.

Set out below is a summary of the audited consolidated financial information on the Group for each of the four years ended 31 March 2023, 2024, 2025 and 2026 (“**FY2023**”, “**FY2024**”, “**FY2025**” and “**FY2026**”, respectively) as extracted from the 2024 Annual Report, the 2025 Annual Report and the 2026 Annual Report.

	For the year ended 31 March			
	2026	2025	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(audited)	(audited)	(audited)	(audited)
Revenue				
Corporate finance advisory service				
— From acting as financial adviser	18,324	14,842	20,340	14,337
— From acting as independent financial adviser	21,554	18,853	22,634	19,217
— From acting as compliance adviser	15,955	17,313	24,230	27,175
— Others	<u>330</u>	<u>588</u>	<u>170</u>	<u>274</u>
	<u>56,163</u>	<u>51,596</u>	<u>67,374</u>	<u>61,003</u>
Profit/(loss) before tax	2,050	(13,854)	(3,580)	(6,863)
Profit/(loss) for the year	2,033	(13,839)	(3,613)	(6,953)
Profit/(loss) for the year attributable to owners of the Company	2,072	(13,809)	(3,543)	(6,821)

	As at 31 March	
	2026	2025
	HK\$'000	HK\$'000
	(audited)	(audited)
Total assets	76,850	81,095
Total liabilities	14,830	18,558
Net assets	62,020	62,537
Equity attributable to owners of the Company	62,003	62,481

Financial performance for the year ended 31 March 2026

For FY2026, the Group recorded total revenue of approximately HK\$56.2 million, representing an increase of approximately 8.9% as compared to that of approximately HK\$51.6 million for FY2025. Revenue recorded from acting as financial adviser (“FA”) and independent financial adviser (“IFA”) amounted to approximately HK\$39.9 million, accounting for around 71.0% of the Group’s total

revenue during FY2026, and representing an increase of approximately 18.4% as compared to that of approximately HK\$33.7 million for FY2025. Such increase was primarily attributable to the upsurge in corporate finance deals handled by the Group fueled by the strong stock market and such volume-driven expansion compensated for the pricing pressure arising from a continuing competitive landscape in fee levels.

During FY2026, revenue recorded from acting as compliance adviser (“CA”) amounted to approximately HK\$16.0 million, accounting for approximately 28.5% of the Group’s total revenue during FY2026, and representing a decrease of approximately 7.5% as compared to that of approximately HK\$17.3 million for FY2025. Such change was mainly due to the competitive pricing pressures.

The profit for the year attributable to owners of the Company for FY2026 was approximately HK\$2.0 million as compared to the loss attributable to owners of the Company of approximately HK\$13.8 million for FY2025. The turnaround from loss to profitability was mainly due to (i) the approximately HK\$4.6 million increase in revenue from the corporate finance advisory business; and (ii) the approximately HK\$9.2 million net decrease in employee benefits costs resulting from the successful implementation of organisational streamlining initiatives.

It is noted that the turnaround from loss to profit for FY2026 was principally due to the implementation of cost saving plan rather than a sharp rebound on business performance.

Financial performance for the year ended 31 March 2025

For FY2025, the Group recorded total revenue of approximately HK\$51.6 million, representing a decrease of approximately 23.4% as compared to that of approximately HK\$67.4 million for FY2024. Revenue recorded from acting as FA and IFA amounted to approximately HK\$33.7 million, accounting for around 65.3% of the Group’s total revenue during FY2025, and representing a decrease of approximately 21.6% as compared to that of approximately HK\$43.0 million for FY2024. Such decrease was primarily attributable to the severe fee competition in Hong Kong corporate finance industry.

During FY2025, revenue recorded from acting as CA amounted to approximately HK\$17.3 million, accounting for approximately 33.5% of the Group’s total revenue during FY2025, and representing a decrease of approximately 28.5% as compared to that of approximately HK\$24.2 million for FY2024. Such decrease was mainly due to a lower level of IPOs and a scheduled run-off of existing CA mandates.

The loss for the year attributable to owners of the Company for FY2025 was approximately HK\$13.8 million, representing an increase of approximately 294.3% as compared to that of approximately HK\$3.5 million for FY2024. The increase in loss was mainly due to the approximately HK\$15.8 million decrease in revenue for FY2025, partially offset against by the reduction in total operating expenses as a result of the cost optimisation programme to revamp the employee remuneration package and strengthen operational cost control implemented since December 2024.

Financial performance for the year ended 31 March 2024

For FY2024, the Group recorded total revenue of approximately HK\$67.4 million, representing an increase of approximately 10.5% as compared to that of approximately HK\$61.0 million for FY2023. Revenue recorded from acting as FA and IFA amounted to approximately HK\$43.0 million, accounting for around 63.8% of the Group's total revenue during FY2024, and representing an increase of approximately 28.0% as compared to that of approximately HK\$33.6 million for FY2023. Such increase was mainly due to the determined efforts of the Group's teams in facilitating the execution and completion of ongoing transactions for clients.

During FY2024, revenue recorded from acting as CA amounted to approximately HK\$24.2 million, accounting for approximately 35.9% of the Group's total revenue during FY2024, and representing a decrease of approximately 11.0% as compared to that of approximately HK\$27.2 million for FY2023. Such decrease was mainly attributable to a reduced number of IPOs in the Hong Kong stock market during the year, which in turn lowered the Group's revenue from CA activities.

The loss for the year attributable to owners of the Company for FY2024 was approximately HK\$3.5 million, representing a decrease of approximately 48.5% as compared to that of approximately HK\$6.8 million for FY2023. The reduction in loss was due to an approximately HK\$6.4 million increase in revenue from corporate finance advisory businesses, an approximately HK\$1.1 million increase in bank interest income and an approximately HK\$0.6 million decrease in the exchange loss, partially offset by an approximately HK\$3.4 million net increase in employee benefits costs and an approximately HK\$1.4 million increase in the impairment loss recognised in respect of trade receivables arising from corporate finance advisory businesses.

Financial position as at 31 March 2026

The total assets of the Group were approximately HK\$76.8 million as at 31 March 2026, representing a decrease of approximately 5.3% as compared to that of approximately HK\$81.1 million as at 31 March 2025. The total liabilities of the Group were approximately HK\$14.8 million as at 31 March 2026, representing a decrease of approximately 20.4% as compared to that of approximately HK\$18.6 million as at 31 March 2025. Such decreases were mainly attributed to the decreases in rights-of-use assets and lease liabilities as a result of ongoing straight-line depreciation of right-of-use assets and progressive reduction of lease liabilities as the underlying leases approach maturity particularly on 30 June 2027 in respect of the office lease in Hong Kong.

As at 31 March 2026, the equity attributable to owners of the Company were remained stable and decreased by approximately 0.8% from approximately HK\$62.5 million as at 31 March 2025 to approximately HK\$62.0 million.

Special Cash Dividend and Final Dividend

With reference to “Letter from Red Sun Capital and Eddid Capital”, we noted that the Company had declared a Final Dividend and Special Cash Dividend of HK\$0.02 in cash per Share and HK\$0.08 in cash per Share with the Record Dates of 31 July 2026 and 14 October 2026 respectively, which have been approved by the Shareholders in the annual general meeting held on 28 July 2026. As at the Latest Practicable Date, the Final Dividend has been paid and the Special Cash Dividend will be paid on 23 October 2026. Shareholders whose names appear on the register of members of the Company at the close of business on 14 October 2026, being the Special Dividend Record Date, will receive the Special Cash Dividend whether or not they accept the Share Offer.

Positive Profit Alert Announcement of the Company for the six months ending 30 September 2026

Reference is made to the Positive Profit Alert Announcement, whereby it is disclosed that based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the five months ended 31 August 2026, which have not been confirmed, reviewed or audited by the Company’s auditors or audit committee and may be subject to adjustment, and other information currently available to the Group’s management, the Group is expected to report an increased after-tax profit of not less than HK\$2.5 million for the six months ending 30 September 2026.

According to the Positive Profit Alert Announcement, the expected increase in profit is primarily driven by an anticipated increase in revenue of not less than HK\$5 million, extending the momentum in corporate financial activities from the previous financial year end. This increase is partially offset by an anticipated increase of around HK\$3 million in total employee benefit costs for the six months ending 30 September 2026 mainly due to higher bonuses associated with the increase in revenue.

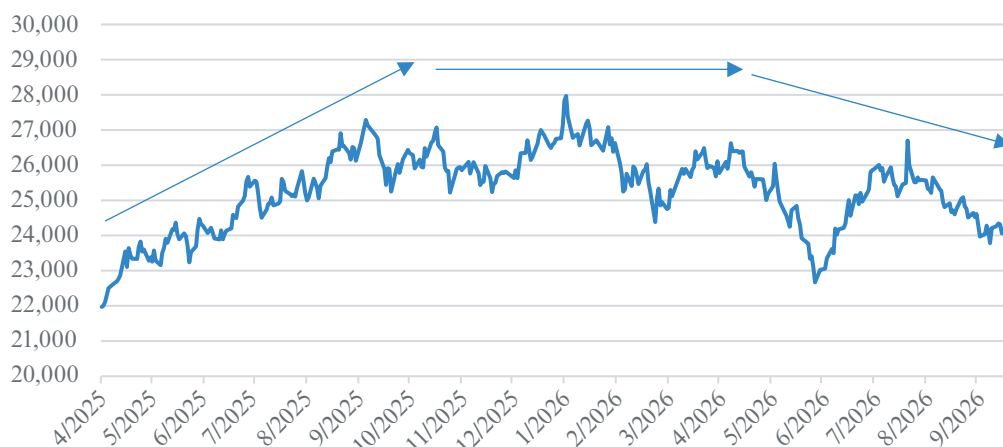
2. Industry Overview and Prospects

As referred to in the section headed “1. Information and financial performance of the Group” in this letter and the 2026 Annual Report, all of the Group’s revenue for the three years ended 31 March 2026 was derived from the corporate finance advisory services and the Group’s operations are substantially located in Hong Kong. In view of the above, we have reviewed the performance of Hang Seng Index (“HSI”), which indicates the performance of Hong Kong financial market. We have also considered the worldwide factors which we believe, to certain extent, affect the Hong Kong finance market.

The performance of Hang Seng Index

Set out below is a summary of the HSI from 28 April 2025 to the Latest Practicable Date (the “**HSI Review Period**”):

Performance of HSI from 28 April 2025 to the Latest Practicable Date



The HSI experienced fluctuations during the HSI Review Period. The HSI began with the lowest at 21,972 points on the start of the HSI Review Period, and then the HSI was in an increasing trend and reached 27,141 points in early October 2025.

The rising trend did not sustain thereafter. Since then, The HSI was relatively stable and fluctuated between 25,220 and 27,141 for the period from early October 2025 to 26 January 2026 and the HSI retreated to 24,382 points in 23 March 2026 before it started climbing up again in late April 2026, reaching 26,632 points on 7 May 2026. Afterwards, the HSI showed a decreasing trend afterward and dropped to 23,868 points as at the Latest Practicable Date.

The outlook of the initial public offering (“IPO”) market

According to the “Market Statistics 2025” (the “**Market Statistics 2025**”) published by the Stock Exchange, a total of 119 companies completed IPOs in Hong Kong in 2025, representing an increase of approximately 67.6% as compared with 71 IPOs recorded in 2024. In terms of fundraising scale of IPOs, the total funds raised in 2025 amounted to approximately HK\$285.8 billion, representing a significant increase of approximately 224.8% from approximately HK\$88.0 billion in 2024. Meanwhile, although the Group is eligible for acting as a sponsor in respect of an application for IPO under the Listing Rules, the Group had not involved in any sponsorship engagement since the financial year ended 31 March 2021.

Number of total listed companies in Hong Kong

Despite the increase in number of IPO as mentioned above, the total number of listed companies, being the major potential clients of the Group, listed on Stock Exchange remain the same level. According to the HKEX Monthly Market Highlights issued by the Stock Exchange for June 2026, as at 30 June 2026, there were 2,748 companies listed on the Main Board and GEM of the Stock Exchange, representing a slight increase of approximately 2.3% as compared with 2,686 companies recorded as at 31 December 2025. This suggests that there is no material change in total number of client base in Hong Kong available to the Company.

In view of above, the HSI's movements during the HSI Review Period reflected alternating upward and downward trends, underscoring the volatility of the Hong Kong capital market and there is no material change in total number of client base in Hong Kong available to the Group, and therefore does not impose material new business opportunities to the Group.

We have also considered the worldwide uncertain factors which we believe, to certain extent, affect the Hong Kong finance market and impose additional uncertainties.

Possible federal funds rate increases by the Federal Reserve of the United States

The possibility of a federal funds rate increase by the Federal Reserve (the “**Federal Reserve**”) of the United States may introduce uncertainty into the Hong Kong financial market. On 2 July 2026, Mr. Kevin Warsh, the chairman of the board of governors of the Federal Reserve, spoke at the ECB Forum on Central Banking 2026. While he did not indicate whether federal funds rate would rise, he noted that the inflation remained elevated. To stabilise inflation, central banks tend to increase the interest rate to bring the inflation down. On 16 September 2026 (US time), the Federal Reserve announced the 25-basis point upward adjustment in the target range for the federal funds rate to a range of 3.75% to 4.00%. Under the linked exchange rate system, any increase in the federal funds rate would lead to higher interest rate in Hong Kong. This would raise borrowing costs for Hong Kong listed companies and thereby reducing their willingness to pursue fundraising and corporate transactions. For the Group, whose revenue is entirely derived from corporate finance advisory services in Hong Kong, such developments directly affect advisory demand by lowering transaction volumes and contributes to the uncertainty of the Group's business environment.

Geopolitical conflicts

Geopolitical conflicts, including (i) the ongoing war between Russia and Ukraine and (ii) heightened hostilities between the United States and Iran, aggravated risks on global economic and financial system. The heightened geopolitical instability would dampen investors' confidence and reduce the willingness to commit capital. Reduced cross-border capital flows and investor risk appetite will lead to fewer merge and acquisition and IPO transactions.

US-Sino Trade Tension

Trade tension between the United States and China exert downward pressure on the Hong Kong capital market indirectly by weakening earnings prospects for those companies incorporated in the Mainland China and listed on the Stock Exchange (“**Mainland Enterprises**”). According to the HKEx Monthly Market Highlight of May 2026 published by the Stock Exchange, Mainland Enterprises accounted for about 78.2% of Hong Kong’s market capitalisation (including Main Board and GEM) as at the end of May 2026. Tariff escalations would impair the profitability of these Mainland Enterprises which may in turn reduce their incentives for corporate actions and affects the Group’s advisory business.

The impact of recent regulatory measures of the People’s Republic of China (the “PRC”) on Hong Kong capital market

On 1 June 2026, the State Council of the PRC had published the 《國務院關於對外投資的規定》 (Regulations on Outbound Investment*) (the “**2026 Regulations**”), which became effective on 1 July 2026. The 2026 Regulations introduce enhanced filing, approval, export control and national security review requirements applicable to PRC investors in respect of their outbound investments. Article 32 of the 2026 Regulations explicitly treats investment into Hong Kong as “outbound investment” subject to the same filing, approval, and national security review requirements as investments into other jurisdictions.

On 24 July 2026, the Ministry of Finance of the PRC and the State Taxation Administration of the PRC had jointly issued the 《關於離岸信託個人所得稅有關事項的公告》 (Announcement on Issues Concerning Individual Income Tax on Offshore Trusts*) (the “**MOF & SAT Announcement**”), which took immediate effect upon publication. The MOF & SAT Announcement imposes tax obligations on PRC individuals who establish or benefit from offshore trusts, including those set up in Hong Kong.

The above measures add extra compliance requirements and costs for investments into Hong Kong capital market by PRC investors and may reduce the attractiveness of Hong Kong capital market. Hence, such measures affect negatively the Group’s advisory business.

In view of above, we consider that the overall outlook of the Group’s business environment remains uncertain.

3. Information on the Offeror and Mr. Ng

The Offeror is a company incorporated in the British Virgin Islands with limited liability. The Offeror is principally engaged in investment holding and is not engaged in any other business operations. It is legally, beneficially and wholly owned by Mr. Ng, who is also the sole director of the Offeror.

Mr. Ng, aged 53, has over 25 years of experience in the investment banking and financial industry focusing on the areas of initial public offerings, mergers and acquisitions, corporate restructuring and other financial advisory services to listed companies and listing applicants in Hong Kong. Mr. Ng is currently the executive director of Hong Kong Gold Industry Group Limited (formerly known as Add New Energy Investment Holding Group Limited) (stock code: 2623). Mr. Ng also served as an executive director of CMBC Capital Holdings Limited (stock code: 1141, “**CMBC**”) between October 2017 and October 2025. He served as the managing director of corporate finance in Haitong International Capital Limited before joining CMBC. From July 1997 to December 2000, he worked in Arthur Anderson & Co. Mr. Ng is a member of the Hong Kong Institute of Certified Public Accountants. He received his Master of Economics from the University of Hong Kong and Bachelor of Business Administration from the Chinese University of Hong Kong. Mr. Ng was a Responsible Officer and a director of each of CMBC International Capital Limited (a company licensed by the SFC to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities) and CMBC Securities Company Limited (a company licensed by the SFC to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities), both of which are wholly-owned subsidiaries of CMBC.

The acquisition of the Sale Shares by the Offeror under the Sale and Purchase Agreement was principally financed by its internal resources and through the issue of convertible bonds in the principal amount of HK\$35 million (the “**Offeror’s Convertible Bonds**”). According to the terms of the Offeror’s Convertible Bonds, upon full conversion, conversion shares representing up to 49% of the then issued share capital of the Offeror will be issued to the bondholder. The conversion right may be exercised, at the option of the bondholder, at any time from the expiration of six months after the end of the Offer Period to the business day (being a day (excluding Saturdays, Sundays, Hong Kong public holidays and any day on which a tropical cyclone warning no. 8 or above, a “black” rainstorm warning or an Extreme Weather Warning is in effect at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are open for business) before the maturity date of the Offeror’s Convertible Bonds, being 23 April 2029. The Offeror may, upon maturity on 23 April 2029, mandatorily convert all or any of the outstanding principal amount of the Offeror’s Convertible Bonds into shares of the Offeror up to 49% of the enlarged issued share capital of the Offeror, provided that the completion of such mandatory conversion shall be conditional upon obtaining the necessary approval from SFC in relation to the change in substantial shareholders of a licensed corporation for the relevant subsidiaries of the Company within 1 year after the maturity date, being 23 April 2030. Further details of Mr. Liao Jianfeng, being the bondholder, are set out in the “Letter from Red Sun Capital and Eddid Capital”.

Given Mr. Ng’s extensive experience of over 25 years in the Hong Kong capital markets, encompassing initial public offerings, mergers and acquisitions, corporate restructuring and financial advisory services, together with his senior leadership roles at listed companies and financial institutions, we consider that Mr. Ng possesses substantial knowledge and experience in relation to the Group’s existing business operations.

4. Intentions of the Offeror in relation to the Group

With reference to the “Letter from Red Sun Capital and Eddid Capital”, it is the intention of the Offeror to continue and expand the Group’s existing principal business following the close of the Offers in close co-operation with the existing management of the Group and does not have any intention, understanding, negotiation or arrangement (concluded or otherwise) to downsize, or bring about a cessation or disposal of existing business of the Group and to acquire or inject any business to the Group. The Offeror will conduct a detailed review of the existing principal business operations and financial position of the Group. Based on the review results, the Offeror will formulate business strategies together with the existing management of the Group, and may explore expansion in the investment banking business of the Group in relation to initial public offerings and assets management business by fully utilising the Group’s existing several licences from SFC as well as considering whether any fund-raising activity or acquisition of business should be pursued with a view to achieving business growth of the Group. Notwithstanding the above, as at the Latest Practicable Date, the Offeror has no specific proposal and has not entered into any specific agreement or arrangement with the Group.

Save for the potential changes to the members of the Board as described below, the Offeror has no intention to (i) discontinue the employment of any employees of the Group or change the remuneration structure of any of them; or (ii) dispose of or re-deploy the fixed assets of the Group other than in its ordinary and usual course of business.

5. Proposed change in Board composition

As at the Latest Practicable Date, the Board comprises five executive Directors, namely Mr. Sabine, Mr. Cheung, Mr. Chow, Ms. LEUNG Lim Ng Jenny and Mr. WONG C-Tsun, and three independent non-executive Directors, namely Mr. CHENG Yuk Wo, Mr. YUEN Kam Tim Francis and Ms. KHOO Pui Wun.

Pursuant to the terms of the Sale and Purchase Agreement, the Seller undertakes with the Purchaser to use all its powers of control over the Company to procure that, at the earliest possible time permitted by the Takeovers Code and other rules or regulations applicable to the Company, all existing Directors except Mr. Sabine and Mr. Chow shall offer to resign as a Director. Save and except for Mr. Sabine, Mr. Chow, and Ms. KHOO Pui Wan, all other existing Directors will resign with effect from a date which is no earlier than such date as permitted under the Takeovers Code, the GEM Listing Rules and other laws, regulations and rules applicable to the Company. It is the intention of the Offeror that Mr. Sabine will remain as Chairman of the Company. The Offeror intends to nominate Mr. Ng as an executive Director and the vice chairman of the Company, Ms. Zhu Yuchen as non-executive Director and Mr. Lee Siu Hang Foster, and Mr. Li Shoushuang as independent non-executive Directors for appointment to the Board with effect from after the Composite Document is posted on the date of dispatch of this Composite Document (being the earliest date as permitted under the Takeovers Code).

Having considered that save as the proposed change to the members of the Board as disclosed above, the Offeror has no intention to (i) discontinue the employment of any employees of the Group or change the remuneration structure of any of them; or (ii) dispose of or re-deploy the fixed assets of the Group other than in its ordinary and usual course of business. As the Offeror intends to conduct a detailed review of the existing principal business operations and financial position of the Group following the close of the Offers and the Offeror may formulate business strategies together with the existing management of the Group, it appears that the Offeror has no specific future plan for the Group as at the Latest Practicable Date. In view of the Offeror has not formulated any specific proposals indicates that the future direction of the Group under the Offeror cannot be ascertained at this stage, we consider that the future direction and prospects of the Group under the Offeror is currently uncertain. The Offers provide a viable exit to the Offer Shareholders and Optionholders. However, for those Offer Shareholders who intend to accept the Share 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 Share Offer, if the net proceeds from such sale of Shares would be higher than that receivable under the Share Offer.

6. Compulsory acquisition

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offers.

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

The Stock Exchange has stated that:

(a) if, at the close of the offer, the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
- an orderly market does not exist;

it will consider exercising its discretion to suspend dealings in the shares; and

(b) if, at the close of the offer, the listed issuer has a Significant Public Float Shortfall, then:

- the Stock Exchange will add a designated marker to the stock name of the listed shares; and
- the Stock Exchange will cancel the listing of the issuer's shares if the issuer fails to re-comply with GEM Listing Rule 17.37B for a continuous period of 12 months from the commencement of the Significant Public Float Shortfall (as defined in GEM Listing Rule 17.37F).

The Offeror intends the issued Shares to remain listed on GEM of the Stock Exchange after the close of the Offers. The director of the Offeror and the new Directors to be appointed to the Board have jointly and severally undertaken to the Stock Exchange that if, at the close of the Offers, the Company fails to comply with the requirement of GEM Rule 17.37B, they will take appropriate steps to ensure the issuer's compliance with GEM Rule 17.37B at the earliest possible moment.

The Stock Exchange has stated that:

An issuer that fails to comply with GEM Listing Rule 17.37B will be regarded as having a "Significant Public Float Shortfall" unless a portion of its class of shares listed on the Stock Exchange and held by the public:

- (1) represents at least 15% of the issuer's total number of issued shares in that class of shares (excluding treasury shares) or, if the Initial Prescribed Threshold applicable to the issuer is less than 25%, at least 50% of the relevant Initial Prescribed Threshold; or
- (2) has a market value of at least HK\$500,000,000 and represents at least 5% of the issuer's total number of issued shares in that class of shares (excluding treasury shares).

8. The Share Offer Price

The Share Offer Price of HK\$0.818 per Offer Share represents:

- (i) a discount of approximately 43.2% to the closing price of HK\$1.440 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 4.9% to the closing price of HK\$0.860 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 6.0% to the average closing price of approximately HK\$0.870 per Share as quoted on the Stock Exchange for the 5 consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a discount of approximately 8.1% to the average closing price of approximately HK\$0.890 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a premium of approximately 40.8% to the average closing price of approximately HK\$0.581 per Share as quoted on the Stock Exchange for the 30 consecutive trading days prior to and including the Last Trading Day; and

- (vi) a premium of approximately 100.0% over the audited consolidated net assets value attributable to equity holders as at 31 March 2026 of approximately HK\$0.409 per Share (“NAV per Share”) based on the audited consolidated net assets of the Company as at 31 March 2026 and the number of Shares in issue as at the Latest Practicable Date.

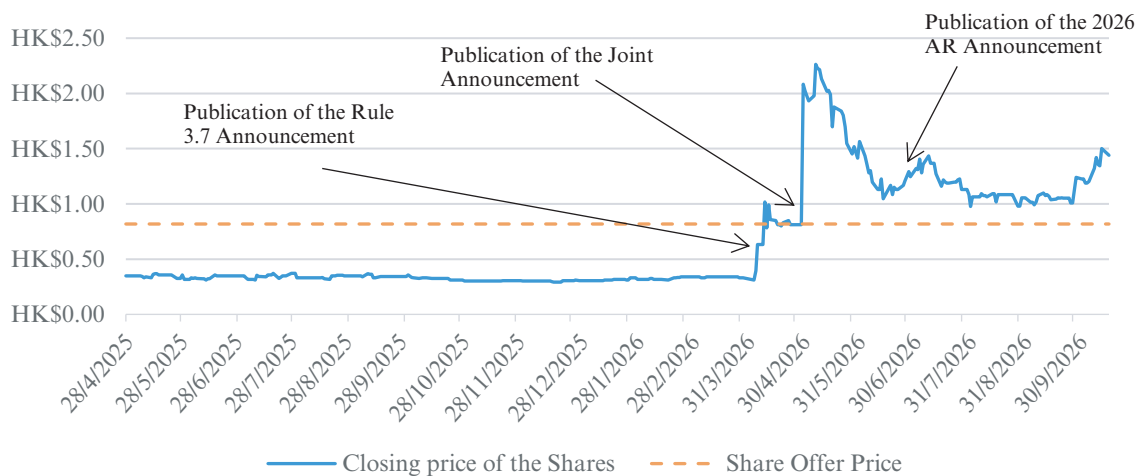
For the purpose of reference for Shareholders who are entitling to the Final Dividend and the Special Cash Dividend, the total amount receivable per Offer Share of HK\$0.918 factoring in the aggregate amount of the Final Dividend of HK\$0.02 per Share and the Special Cash Dividend of HK\$0.08 per Share represents:

- (i) a discount of approximately 36.3% to the closing price of HK\$1.440 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 6.7% over the closing price of HK\$0.860 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 5.5% over the average closing price of approximately HK\$0.870 per Share as quoted on the Stock Exchange for the 5 consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 3.1% over the average closing price of approximately HK\$0.890 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a premium of approximately 58.0% to the average closing price of approximately HK\$0.581 per Share as quoted on the Stock Exchange for the 30 consecutive trading days prior to and including the Last Trading Day; and
- (vi) a premium of approximately 124.4% over the audited consolidated net assets value attributable to equity holders as at 31 March 2026 of approximately HK\$0.409 per Share based on the audited consolidated net assets of the Company as at 31 March 2026 and the number of Shares in issue as at the Latest Practicable Date.

Historical price performance of the Shares

Set out below is a chart showing the movement of the closing price of the Shares during the period from 28 April 2025 and up to the Latest Practicable Date (the “Review Period”), which covers an approximate one-year period prior to the Last Trading Day and the period up to the Latest Practicable Date, to illustrate the general trend and level of movement of the closing price of the Shares. We consider that the duration of the Review Period of approximately one year period prior to the Last Trading Day would be a reasonable and sufficient period to illustrate the recent closing price movement of the Shares.

Historical price performance of the Shares



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

Note: The historical closing price of the Shares had been adjusted due to the declaration of dividends.

During the Review Period, the lowest closing price of the Shares was HK\$0.292 recorded on 19 December 2025, 22 December 2025 and 23 December 2025 and the highest closing price of the Shares was HK\$2.263 recorded on 12 May 2026. The average daily closing price of the Shares for the Review Period was approximately HK\$0.659 per Share.

The closing price of the Shares remained stable for a long period of time and fluctuated within the range between HK\$0.292 per Share and HK\$0.372 per Share from the start of the Review Period up to 8 April 2026 compared with the period after 8 April 2026. On 10 April 2026 (the last trading day immediately prior to the trading of Shares was halted from 9:00 a.m. on 13 April 2026 pending the publication of an announcement dated the same date in relation to, among others, the Board was being informed by the Seller that it has been in discussion with an independent investor in relation to the possible transfer of certain shareholding interests in the Company held by the Seller to the independent investor (the “**Rule 3.7 Announcement**”)), the closing price of Shares surged by approximately 59.6% to HK\$0.632 per Share as compared to the closing price of HK\$0.396 per Share on 9 April 2026. The Shares had been traded at a discount to the Share Offer Price for a total of 235 trading days during the period from 28 April 2025 and up to the publication of the Rule 3.7 Announcement (the “**Pre-Rule 3.7 Announcement Period**”).

Following the publication of the Rule 3.7 Announcement after trading hours on 13 April 2026, trading in Shares was resumed from 9:00 a.m. on 14 April 2026 and the closing price of the Shares further increased by approximately 61.2% to HK\$1.018 per Share as compared to the closing price of HK\$0.632 per Share on 10 April 2026. We have enquired the Directors regarding the possible reasons for such increase in the closing price of the Shares during such period, and as confirmed by the Directors, save for Rule 3.7 Announcement, the Directors were not aware of any happening which

might have affected the closing price of the Shares. Therefore, we believe that the sharp rise in the closing price of the Shares immediately after the publication of the Rule 3.7 Announcement might reflect purely a speculation on the possible offers and change in control of the Company.

From the period from 14 April 2026 to 28 April 2026, the closing price of the Shares fluctuated within the range between HK\$0.783 per Share and HK\$1.018 per Share.

Trading in Shares was halted again from 9:00 a.m. on 29 April 2026 pending the publication of the Joint Announcement in relation to, among others, the Sale and Purchase Agreement and the Offers. Trading in Shares was resumed from 9:00 a.m. on 5 May 2026 following the release of the Joint Announcement on 4 May 2026 and the closing price of the Shares further surged by approximately 157.0% to HK\$2.084 on 5 May 2026. We have enquired the Directors regarding the possible reasons for such increase in the closing price of the Shares during such period, and as confirmed by the Directors, save for the Joint Announcement, the Directors were not aware of any happening which might have affected the closing price of the Shares.

The closing price of the Shares further increased and reached the highest closing price of the Review Period, i.e. HK\$2.263, on 12 May 2026. Subsequently, the closing price of the Shares was showed a downward trend and plummeted by approximately 50.0% to HK\$1.131 per Share on 26 June 2026. Following the publication of the annual result announcement of the Company for the year ended 31 March 2026 (the “**2026 AR Announcement**”) on 29 June 2026, the closing price fluctuated slightly and closed at HK\$1.440 on the Latest Practicable Date.

We noted that the Share Offer Price had been higher than the daily closing prices for 240 out of 361 trading days during the Review Period. The Share Offer Price of HK\$0.818 represents a premium of approximately 24.1% over the average closing price of HK\$0.659 per Share during the Review Period.

Notwithstanding the Company’s share price increased following the publication of the Rule 3.7 Announcement in April 2026, the Joint Announcement in May 2026 and after the publication of the 2026 AR Announcement in July 2026; and the Share Offer Price of HK\$0.818 represents a discount of approximately 43.2% to the closing price of the Share as at the Latest Practicable Date, attentions are drawn to the Offer Shareholders that (i) the Shares had been traded at a discount to the Share Offer Price during the Pre-Rule 3.7 Announcement Period; (ii) the Share Offer Price is at a price level higher than the daily closing prices of the Shares for 240 out of 361 trading days as quoted on the Stock Exchange during the Review Period. The Share Offer Price also represents a premium of approximately 24.1% over the average closing price per Share of HK\$0.659 during the Review Period; (iii) the increasing trend of the closing price of the Shares after publication of the Rule 3.7 Announcement and the Joint Announcement may be attributable to the market reactions towards the Offers and/or the anticipated prospects of the Group and change in control of the Company, and may or may not be sustainable in the future. As observed, we noted that such

speculative price levels had not sustained and the closing price of the Shares closed at HK\$1.440 on the Latest Practicable Date; and (iv) the Share Offer Price represents a premium of approximately 100.0% over the audited consolidated net assets value attributable to equity holders as at 31 March 2026 of approximately HK\$0.409 per Share based on the audited consolidated net assets of the Company as at 31 March 2026 and the number of Shares in issue as at the Latest Practicable Date. Considering the above, we are of the view that the Share Offer Price is considered to be fair and reasonable.

Historical trading liquidity of the Shares

The number of trading days, the average daily number of the Shares traded per month (the “**Average Volume**”), and the respective percentages of the Average Volume as compared to the total number of issued Shares and the total number of issued Shares held by public Shareholders during the Review Period, are tabulated as below:

Month	Number of trading days in each month <i>Number of days</i>	Average Volume <i>in Shares</i>	Percentage of the Average Volume to total number of issued Shares as at the end of each respective month <i>(Note 1)</i> %	Percentage of the Average Volume to total number of issued Shares held by public Shareholders <i>(Note 2)</i> %
2025				
April (from 28 April 2025)	3	Nil	0%	0%
May	20	7,200	0.005%	0.014%
June	21	16,857	0.012%	0.033%
July	22	30,182	0.021%	0.059%
August	21	23,905	0.016%	0.047%
September	22	7,727	0.005%	0.015%
October	20	25,000	0.017%	0.049%
November	20	3,300	0.002%	0.007%
December	21	7,238	0.005%	0.014%

Month	Number of trading days in each month <i>Number of days</i>	Average Volume <i>in Shares</i>	Percentage of the Average Volume to total number of issued Shares as at the end of each respective month <i>(Note 1)</i> %	Percentage of the Average Volume to total number of issued Shares held by public Shareholders <i>(Note 2)</i> %
2026				
January	21	26,190	0.018%	0.052%
February	17	32,471	0.022%	0.064%
March	22	7,455	0.005%	0.015%
April <i>(Note 3)</i>	16	782,485	0.534%	1.536%
May <i>(Note 4)</i>	18	1,862,342	1.269%	3.656%
June	21	311,238	0.212%	0.611%
July	22	150,000	0.099%	0.295%
August	21	35,048	0.023%	0.069%
September <i>(Note 5)</i>	21	48,381	0.032%	0.095%
October (up to and including the Latest Practicable Date)	12	159,000	0.105%	0.312%

Notes:

1. The calculation is based on the Average Volume divided by the total number of issued Shares at the end of each month during the Review Period (or at the Latest Practicable Date for October 2026).
2. The calculation is based on the Average Volume divided by the total number of issued Shares held by the public Shareholder as at the Latest Practicable Date.
3. Trading of the Shares on the Stock Exchange has been halted on 13 April 2026 and trading was resumed on 14 April 2026 pending the release of the Rule 3.7 Announcement.
4. Trading of the Shares on the Stock Exchange has been halted from 29 April 2026 to 4 May 2026 and trading was resumed on 5 May 2026 pending the release of the Joint Announcement.
5. Trading of the Shares on the Stock Exchange has been halted on 30 September 2026 and trading was resumed on 2 October 2026 pending the release of the CP Satisfaction Announcement.

As illustrated above, during the Review Period, the Average Volume was ranging from 0% to 1.269% for the total number of issued Shares as at the end of each respective month (or at the Latest Practicable Date for October 2026) and from 0% to 3.656% for the total number of issued Shares held by the public Shareholders as at the Latest Practicable Date. For the Review Period, the average of the Average Volume was around 0.126% of total number of issued Shares and 0.365% for the total number of issued Shares held by the public Shareholders.

We note that there was a sharp increase in daily trading volume of the Shares between 9 April 2026 to 5 May 2026 that resulted in higher Average Volume in April and May 2026. We have enquired into the Directors regarding the possible reasons for such increase in the Average Volume, and as confirmed by the Directors, save for publication of the Rule 3.7 Announcement and the Joint Announcement, the Directors were not aware of any happening which might have affected the Average Volume in May 2026. Excluding the Average Volume in April and May 2026, during the Review Period, the Average Volume was ranging from 0% to 0.212% for the total number of issued Shares and from 0% to 0.611% for the total number of issued Shares held by the public Shareholders.

We therefore consider the trading liquidity of the Shares is low when compared to the total number of issued Shares as well as the total number of the Shares held by the public Shareholders.

Given the overall thin historical daily trading volume of the Shares recorded from nil to approximately 17,920,000 Shares with an average of approximately 176,000 Shares during the Review Period, the Offer 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 Shares price. The Share Offer, therefore, represents an opportunity for the Offer Shareholders, particularly for those who hold a large volume of Shares, to dispose of their shareholdings at the Share Offer Price if they so wish.

Comparison with other comparable companies

In assessing the fairness and reasonableness of the Share Offer Price, it is a general practice to make reference to other comparable companies. It is noted that comparable analysis using price-to-earnings ratio (“**PER**”), price-to-book ratio (“**PBR**”), price-to-sales ratio (“**PSR**”) and enterprise value (“**EV**”)-to-earnings before interest, taxes, depreciation and amortisation (“**EBITDA**”) ratio (“**EV/EBITDA Ratio**”) to compare the Share Offer Price against the other comparable companies are commonly adopted methods in valuing a company.

As discussed in the section headed “1. Information and financial performance of the Group” above in this letter, the Group principally engages in the provision of corporate finance advisory services and asset management services in Hong Kong and all of the Group’s revenue are derived from the provision of corporate finance advisory services in the previous four financial years. Based on the Share Offer Price of

HK\$0.818 per Offer Share and the total number of issued Shares of 151,623,894 as at the Latest Practicable Date, the Company is valued at approximately HK\$124.0 million. In this respect and for the purpose of our analysis, we have identified comparable companies based on the following criteria: (i) the shares of which are listed on the Main Board or GEM of the Stock Exchange and the trading had not been suspended as at the Latest Practicable Date; (ii) engages in principal business similar to those of the Group, that is, engaged in the provision of corporate finance advisory services in Hong Kong which the Type 6 (advising on corporate finance) regulated activity under the SFO contributed at least 50% of their respective total revenue for the latest completed financial year; (iii) with market capitalisation of below HK\$500 million which is considered as of similar size as compared with the Company's market capitalisation of approximately HK\$218.1 million as at the Latest Practicable Date in order to ensure a representative sample size. Based on our analysis, we are not able to identify any comparable company based on our selection criteria.

PER analysis is the most commonly adopted valuation benchmark in the course of valuation of companies as PER analysis can reflect profitability and earnings-generating capability of the companies and EV/EBITDA ratio is a commonly adopted valuation benchmark as it reflects a company's enterprise value relative to its operating cash flow before accounting adjustments, however, given that no comparable samples can be obtained, we are unable to conduct the comparison on PER and EV/EBITDA ratio analysis. Meanwhile, the PBR analysis is generally more suitable for asset-heavy companies. The Company operates an asset-light business model rather than with substantial fixed assets, we consider that the PBR analysis is not a suitable method to assess the fairness and reasonableness of the Share Offer Price. PSR analysis focuses on the revenue of a company without considering its cost structure or profitability. Given that the Group is a services company and inherently labour-intensive, with operating costs was largely driven by employee benefits costs that result in low profit margins, we consider that PSR analysis is not meaningfully in this context.

In view of the limitation of the comparable analysis with respect to the PER, PBR, PSR and EV/EBITDA ratio analysis and no comparable samples can be obtained as mentioned above, we are of the view that comparison with comparable companies will not provide a meaningful comparative analysis. We have thus focused our analysis of the Share Offer Price on historical trading performance, underlying fundamentals such as the financial performance, industry prospects of the Company and comparison of the Share Offer Price with the NAV per Share as discussed above.

Our view on the Share Offer Price

Despite the fact that the Share Offer Price represents,

- (i) a discount of approximately 43.2% to the closing price of HK\$1.440 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and

- (ii) a discount of approximately 4.9%, 6.0% and 8.1% to the closing price or average closing price as quoted on the Stock Exchange on the Last Trading Day, 5 consecutive trading days and 10 consecutive trading days immediately prior to and including the Last Trading Day, respectively,

and we noted that the Company had issued the Positive Profit Alert Announcement in relation to an expected increased after-tax profit of not less than HK\$2.5 million for the six months ending 30 September 2026. As advised by the Management, such expected increase in profit is primarily attributable to an anticipated increase in revenue of not less than HK\$5 million arising from a one-off transaction. Consequently, we consider that the Group's business performance may not be guaranteed in the future.

It is also noted that,

- (i) it is considered that the overall outlook of the Group's business environment remains uncertain in view of the volatile performance of the HSI and the worldwide uncertain factors as discussed in the sub-section headed "2. Industry Overview and Prospects" above;
- (ii) the Share Offer Price represents a premium of approximately 40.8% to the average closing price as quoted on the Stock Exchange for the 30 consecutive trading days prior to and including the Last Trading Day;
- (iii) the Share Offer Price represents a premium of approximately 100.0% over the audited consolidated net assets value attributable to equity holders as at 31 March 2026 of approximately HK\$0.409 per Share based on the audited consolidated net assets of the Company as at 31 March 2026 and the number of Shares in issue as at the Latest Practicable Date. The net asset value of the Group indicates a fundamental asset position of the Group;
- (iv) the Share Offer Price is at a price level higher than the daily closing prices of the Shares for 240 out of 361 trading days as quoted on the Stock Exchange during the Review Period. The Share Offer Price also represents a premium of approximately 24.1% over the average closing price per Share of HK\$0.659 during the Review Period;
- (v) the increasing trend of the closing price of the Shares after publication of the Rule 3.7 Announcement and the Joint Announcement may be attributable to the market reactions towards the Offers and/or the anticipated prospects of the Group and change in control of the Company, and may or may not be sustainable in the future. As observed, we noted that such speculative price levels had not sustained and the closing price of the Shares closed at HK\$1.440 on the Latest Practicable Date; and

- (vi) given the low liquidity of the Shares during the Review Period and save for April and May 2026 which may be affected by the publication of the Rule 3.7 Announcement and the Joint Announcement; and the Average Volume had returned to 0.105% of total number of issued Shares and 0.312% for the total number of issued Shares held by the public Shareholders for October 2026 (up to and including the Latest Practicable Date), the Share Offer provides opportunities for the Offer Shareholders including those with significant shareholding interest to realise all of their investments in the Company at a fixed price,

we are of the view that the Share Offer Price is fair and reasonable so far as the Offer Shareholders are concerned.

Our view on the cancellation price under the Option Offer

As disclosed in the “Letter from Red Sun Capital and Eddid Capital”, pursuant to the terms and conditions of the Share Option Scheme, if a general offer is made to all the Shareholders and such general offer becomes or is declared unconditional, the Optionholders shall, notwithstanding any other terms on which Options were granted, be entitled to exercise the Options (to the extent vested but not already exercised) to the full extent or to the extent specified in the Optionholders’ notice to the Company in accordance with the provisions of the Share Option Scheme at any time thereafter and up to the close of such offer (or any revised offer). In the event that an Optionholder exercises any outstanding Options before the close of the Share Offer, the Shares issued pursuant to the exercise of such Options shall form part of the Offer Shares and be subject to the Share Offer. **Any vested and unvested Options (to the extent not already exercised) will lapse at the close of the Offers.**

As at the Latest Practicable Date, the Company has 2,497,000 outstanding Options granted under the Share Option Scheme with an exercise price of HK\$0.72, comprising 66,000 vested Options and 2,431,000 unvested Options which are exercisable from 18 December 2026.

We noted that the cancellation price under the Option Offer was calculated in compliance with Rule 13 of the Takeovers Code and represent the “see-through” price, which is the difference between the Share Offer Price and the exercise price for the Options. Therefore, based on the Share Offer Price of HK\$0.818 per Offer Share, all of the outstanding Options as at the Latest Practicable Date were offered a “see-through” price of HK\$0.098 per Option.

Given that the “see-through” price was based on the Share Offer Price of HK\$0.818 per Offer Share, which was offered to all Offer Shareholders, we are of the view that the “see-through” basis is fair and reasonable. Further, as we consider that the Share Offer Price to be fair and reasonable, the “see-through” price, which is based on the Share Offer Price, is also considered fair and reasonable so far as the Optionholders are concerned. Accordingly, we consider the terms of the Option Offer to be fair and reasonable so far as the Optionholders are concerned.

RECOMMENDATION

The Share Offer

Despite the fact that the Share Offer Price represents,

- (i) a discount of approximately 43.2% to the closing price of HK\$1.440 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (ii) a discount of approximately 4.9%, 6.0% and 8.1% to the closing price or average closing price as quoted on the Stock Exchange on the Last Trading Day, 5 consecutive trading days and 10 consecutive trading days immediately prior to and including the Last Trading Day, respectively,

and we noted that the Company had issued the Positive Profit Alert Announcement in relation to an expected increased after-tax profit of not less than HK\$2.5 million for the six months ending 30 September 2026. As advised by the Management, such expected increase in profit is primarily attributable to an anticipated increase in revenue of not less than HK\$5 million arising from a one-off transaction. Consequently, we consider that the Group's business performance may not be guaranteed in the future.

It is also noted that,

- (i) the profit for the year attributable to owners of the Company for FY2026 was approximately HK\$2.0 million as compared to the loss attributable to owners of the Company of approximately HK\$13.8 million for FY2025. However, it noted that the turnaround from loss to profit for FY2026 was principally due to the implementation of cost saving plan rather than a sharp rebound on business performance;
- (ii) it is considered that the overall outlook of the Group's business environment remains uncertain in view of the volatile performance of the HSI and the worldwide uncertain factors as discussed in the sub-section headed "2. Industry Overview and Prospects" above;
- (iii) the Share Offer Price represents a premium of approximately 100.0% over the audited consolidated net assets value attributable to equity holders as at 31 March 2026 of approximately HK\$0.409 per Share based on the audited consolidated net assets of the Company as at 31 March 2026 and the number of Shares in issue as at the Latest Practicable Date. The net asset value of the Group indicates a fundamental asset position of the Group;
- (iv) the Share Offer Price has been higher than the daily closing prices for 240 out of 361 trading days during the Review Period. The Share Offer Price of HK\$0.818 represents a premium of approximately 24.1% over the average closing price per Share of HK\$0.659 during the Review Period;

- (v) the increasing trend of the closing price of the Shares after publication of the Rule 3.7 Announcement and the Joint Announcement may be attributable to the market reactions towards the Offers and/or the anticipated prospects of the Group and change in control of the Company, and may or may not be sustainable in the future. As observed, we noted that such speculative price levels had not sustained and the closing price of the Shares closed at HK\$1.440 on the Latest Practicable Date;
- (vi) given the low liquidity of the Shares during the Review Period and save for April and May 2026 which may be affected by the publication of the Rule 3.7 Announcement and the Joint Announcement; and the Average Volume had returned to 0.105% of total number of issued Shares and 0.312% for the total number of issued Shares held by the public Shareholders for October 2026 (up to and including the Latest Practicable Date), the Share Offer provides opportunities for the Offer Shareholders including those with significant shareholding interest to realise all of their investments in the Company at a fixed price; and
- (vii) there is no guarantee that the Share price will sustain at a level higher than the Share Offer Price during and after the Offer Period in view of (a) the surge of closing price of the Shares was showed a downward trend after the publication of the Joint Announcement; (b) save for the Offers, the Directors were not aware of any happening which might have affected the surge of the closing price of the Shares; and (c) our view on the Group's business environment remains uncertain as stated in point (i) above,

we are of the opinion that the terms of the Share Offer and the Share Offer Price are fair and reasonable so far as the Offer Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Offer Shareholders to accept the Share Offer. **Notwithstanding the above, in view of the recent fluctuations of the market price of the Shares and the closing price of HK\$1.440 per Share as quoted on the Stock Exchange on the Latest Practicable Date is higher than the Share Offer Price of HK\$0.818 and the total amount receivable per Offer Share of HK\$0.918 factoring in the aggregate amount of the Final Dividend and the Special Cash Dividend, those Offer Shareholders who intend to accept the Share Offer are reminded that they should closely monitor the market price and the liquidity of the Shares during the Offer Period and should consider selling their Shares in the open market, rather than accepting the Share Offer, if the net proceeds from the sale of such Shares in the open market would exceed the net proceeds receivable under the Share Offer.**

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

The Option Offer

As we consider that the Share Offer Price is fair and reasonable, the “see-through” price under the Option Offer, which is based on the Share Offer Price, is also considered fair and reasonable so far as the Optionholders are concerned. Accordingly, we consider the terms of the Option Offer to be fair and reasonable so far as the Optionholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Optionholders to accept the Option Offer.

As for the Optionholders, as the exercise price of the outstanding Options (HK\$0.72) is below the Share Offer Price (HK\$0.818), the Options are “in-the-money” with reference to the Share Offer Price. However, as mentioned above, we note that the closing price of the Shares was higher than the exercise price of HK\$0.72 of the outstanding Share Options as at Latest Practicable Date. In this connection, we recommend the Optionholders to closely monitor market price movement and consider to exercise their Options and sell those Shares in the open market, instead of accepting the Option Offer, if the sale proceeds (after deducting transaction costs and exercise price) exceed the amount receivable under the Option Offer. However, if the market price of Shares falls below the exercise price toward the end of the Offer Period, they may consider tendering all or part of their holdings for cancellation under the Option Offer, should they wish to realise their investment. The Optionholders should note that any vested and unvested Options (to the extent not already exercised) will lapse at the close of the Offers.

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

Yours faithfully,
For and on behalf of
Amasse Capital Limited


Stephen Lau
Director

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