
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Form of Acceptance or the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Classified Group (Holdings) Limited, you should at once hand this Composite Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or to the bank or licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms of the Offer contained herein.

The Stock Exchange of Hong Kong Limited and Hong Kong Exchanges and Clearing Limited take no responsibility for the contents of this Composite Document and the accompanying Form of Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Form of Acceptance.

THAC Group (BVI) Limited
一木集團(BVI)有限公司
(Incorporated in the British Virgin Islands with limited liability)

Classified Group (Holdings) Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8232)

**COMPOSITE OFFER AND RESPONSE DOCUMENT
IN RELATION TO MANDATORY UNCONDITIONAL CASH OFFER BY
SILVERBRICKS SECURITIES COMPANY LIMITED FOR AND ON BEHALF OF
THAC GROUP (BVI) LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF
CLASSIFIED GROUP (HOLDINGS) LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR
AGREED TO BE ACQUIRED BY THE OFFEROR AND
PARTIES ACTING IN CONCERT WITH IT)**

Joint Financial Advisers to the Offeror



Independent Financial Adviser to the Independent Board Committee



红日资本有限公司
RED SUN CAPITAL LIMITED

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this Composite Document.

A letter from Silverbricks Securities containing, among other things, details of the terms of the Offer is set out on pages 10 to 21 of this Composite Document. A letter from the Board is set out on pages 22 to 29 of this Composite Document.

A letter from the Independent Board Committee containing its recommendation in respect of the Offer is set out on pages 30 to 31 of this Composite Document.

A letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the terms of the Offer and as to the acceptance of the Offer is set out on pages 32 to 60 of this Composite Document.

The procedures for acceptance and settlement of the Offer and other related information are set out in Appendix I “Further Terms and Procedures for Acceptance of the Offer” to this Composite Document and in the accompanying Form of Acceptance. Acceptance of the Offer should be received by the Registrar, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, no later than 4:00 p.m. on Monday, 29 September 2025 or such later time and/or date as the Offeror may determine and announce, in accordance with the requirements under the Takeovers Code.

Shareholders should inform themselves of and observe any applicable legal, tax or regulatory requirements set out in the “Important Notices” section of this Composite Document. Persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance to any jurisdiction outside Hong Kong, should read the details in this regard which are contained in the paragraph headed “Overseas Independent Shareholders” in the “Letter from Silverbricks Securities” in this Composite Document before taking any action. It is the responsibility of each Overseas Independent Shareholder wishing to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required and the compliance with all necessary formalities, regulatory and/or legal requirements. Overseas Independent Shareholders are advised to seek professional advice on deciding whether or not to accept the Offer.

This Composite Document will remain on the websites of the Stock Exchange at <http://www.hkexnews.hk> and the Company at <https://www.classifiedgroup.com.hk/> as long as the Offer remains open.

In case of any inconsistency, the English language texts of this Composite Document and the enclosed Form of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation.

8 September 2025

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

	<i>Page</i>
EXPECTED TIMETABLE	1
IMPORTANT NOTICE	3
DEFINITION	4
LETTER FROM SILVERBRICKS SECURITIES	10
LETTER FROM THE BOARD	22
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	30
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	32
APPENDIX I – FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE OFFER	I-1
APPENDIX II – FINANCIAL INFORMATION OF THE GROUP	II-1
APPENDIX III – GENERAL INFORMATION OF THE GROUP	III-1
APPENDIX IV – GENERAL INFORMATION OF THE OFFEROR	IV-1
ACCOMPANYING DOCUMENT – FORM OF ACCEPTANCE	

EXPECTED TIMETABLE

The expected timetable set out below is indicative only and may be subject to change. Further announcement(s) will be jointly made by the Company and the Offeror in the event of any changes to the timetable as and when appropriate. Unless otherwise specified, all time and date references contained in this Composite Document refer to Hong Kong time and dates.

Despatch date of this Composite Document and
the accompanying Form of Acceptance and
commencement date of the Offer (*Note 1*) Monday, 8 September 2025

Latest time and date for acceptance of the Offer
(*Notes 2 and 4*) by 4:00 p.m.
on Monday, 29 September 2025

Closing Date (*Notes 2 and 4*) Monday, 29 September 2025

Announcement of the results of the Offer,
to be posted on the website
of the Stock Exchange (*Note 2*) by 7:00 p.m.
on Monday, 29 September 2025

Latest date for posting of remittances for
the amount due in respect of valid acceptances
received under the Offer (*Notes 3 and 4*) Friday, 10 October 2025

Notes:

1. The Offer, which is unconditional in all respects, is made on the date of posting of this Composite Document, and is capable of acceptance on and from that date until 4:00 p.m. on the Closing Date. Beneficial owners of Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.
2. In accordance with the Takeovers Code, the Offer must remain opened for acceptance for at least 21 days following the date on which this Composite Document is posted. The latest time and date for acceptance of the Offer will be 4:00 p.m. on Monday, 29 September 2025 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. The Offeror and the Company will jointly issue an announcement through the website of the Stock Exchange by no later than 7:00 p.m. on Monday, 29 September 2025 stating whether the Offer has been revised, extended or expired. In the event that the Offeror decides to revise or extend the Offer, at least 14 days' notice by way of an announcement will be given before the Offer is closed to those Independent Shareholders who have not accepted the Offer.

EXPECTED TIMETABLE

3. Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares tendered under the Offer will be despatched to the Independent Shareholders accepting the Offer by ordinary post at their own risk as soon as possible, but in any event no later than 7 business days (as defined in the Takeovers Code) after the date of receipt by the Registrar of all relevant documents (receipt of which renders such acceptance complete and valid), in accordance with the Takeovers Code. Acceptance of the Offer shall be irrevocable and not capable of being withdrawn, except as otherwise permitted under the Takeovers Code. Please refer to paragraph headed "6. Right of withdrawal" in Appendix I to this Composite Document for further information on the circumstances where acceptances may be withdrawn.
4. If there is a tropical cyclone warning signal number 8 or above or "Extreme Conditions" or a "black rainstorm warning signal" as issued by the Hong Kong Observatory and/or the Government of Hong Kong (collectively, "**severe weather conditions**") on any of the following deadlines ("**Key Deadlines**"): (a) the Closing Date and the latest time for acceptance of the Offer and the submission and publication deadline for a closing announcement under Rule 19.1 of the Takeovers Code; and (b) the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances,
 - (a) in case any severe weather condition is in force in Hong Kong at any local time before 12:00 noon but no longer in force at 12:00 noon and/or thereafter on any Key Deadline, such Key Deadline will remain on the same Business Day; or
 - (b) in case any severe weather condition is in force in Hong Kong at any local time at 12:00 noon and/or thereafter on any Key Deadline, such Key Deadline will be rescheduled to the following Business Day which does not have any of those warnings or conditions in force in Hong Kong at any time at 12:00 noon and/or thereafter or such other day as the Executive may approve in accordance with the Takeovers Code.

Save as mentioned above, if the latest time for the acceptance of the Offer and/or the posting of remittances do not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror and the Company will notify the Independent Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

All references to date and time contained in this Composite Document and the accompanying Forms of Acceptance refer to Hong Kong date and time.

IMPORTANT NOTICE

NOTICE TO OVERSEAS INDEPENDENT SHAREHOLDERS

The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws of the relevant jurisdictions. Overseas Independent Shareholders should inform themselves about and observe any applicable legal requirements and, where necessary, seek independent legal advice. It is the responsibility of any such person who wishes to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required or the compliance with other necessary formalities or legal requirements and the payment of any transfer or other taxes or other required payments due from the Overseas Independent Shareholders in respect of such jurisdiction.

The Offeror and the parties acting in concert with it, the Company, Silverbricks Securities, VBG Capital, the Independent Financial Adviser, the Registrar, the company secretary of the Company or any of their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by the Overseas Independent Shareholders for any taxes or duties as such persons may be required to pay. Please see the paragraph headed “Overseas Independent Shareholders” in the “Letter from Silverbricks Securities” in this Composite Document.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document contains forward-looking statements, which may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “will”, “would” or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The forward-looking statements included herein are made only as at the Latest Practicable Date. The Offeror and the Company assume no obligation to correct or update the forward-looking statements or opinions contained in this Composite Document, except as required pursuant to applicable laws or regulations, including but not limited to the GEM Listing Rules and/or the Takeovers Code.

DEFINITION

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

“acting in concert” or “concert parties”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Charged Shares”	the Sale Shares acquired and the Offer Shares to be acquired by the Offeror pursuant to the Offer which will be charged to Silverbricks Securities pursuant to the Offer Facility Agreement
“Closing Date”	29 September 2025, being the closing date of the Offer or any subsequent closing date as may be announced by the Offeror in accordance with the Takeovers Code
“Company”	Classified Group (Holdings) Limited, a company established in the Cayman Islands, the shares of which are listed on GEM (stock code: 8232)
“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the terms and conditions of the Sale and Purchase Agreement, which took place on 21 July 2025
“Composite Document”	the composite offer and response document jointly issued by the Offeror and the Company to the Independent Shareholders in connection with the Offer in compliance with the Takeovers Code containing, among other things, details of the Offer (accompanied by the form of acceptance and transfer) and the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser

DEFINITION

“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Consideration”	HK\$48,228,336, being the consideration payable by the Offeror to the Vendors for the acquisition of the Sale Shares under the Sale and Purchase Agreement
“controlling shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Encumbrance(s)”	any mortgage, charge (whether fixed or floating), debenture, pledge, lien, option, right of first refusal, ownership, retention right, equitable interests, third-party right or interest, other security interest of any kind, or obligation which may give rise to any of the above encumbrances (including any conditional obligations)
“Executive”	the Executive Director of the Corporate Finance Division of the SFC from time to time and any delegate of such Executive Director
“Extreme Conditions”	extreme conditions caused by a super typhoon as announced by the Government of Hong Kong
“Form of Acceptance”	the relevant form(s) of acceptance and transfer of the Offer Share(s) in respect of the Offer accompanying this Composite Document
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company together with its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Financial Reporting Standards”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants

DEFINITION

“Independent Board Committee”	the independent board committee of the Board, comprising all of the non-executive Directors, formed to advise the Independent Shareholders in respect of the Offer
“Independent Financial Adviser” or “Red Sun Capital”	Red Sun Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the Offer is, or is not, fair and reasonable, and as to the acceptance of the Offer
“Independent Shareholder(s)” or “Offer Shareholder(s)”	all Shareholders other than the Offeror and parties acting in concert with any of them
“Joint Announcement”	the announcement dated 22 July 2025 jointly issued by the Company and the Offeror in relation to the Offer
“Joint Financial Advisers”	Silverbricks Securities and VBG Capital, the joint financial advisers to the Offeror
“Last Trading Day”	30 June 2025, being the last trading day immediately prior to the date of the Joint Announcement
“Latest Practicable Date”	3 September 2025, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
“Offer”	the mandatory unconditional cash offer made by Silverbricks Securities for and on behalf of the Offeror to acquire all the issued Shares not already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it in accordance with the Takeovers Code
“Offer Facility Agreement”	the loan facility agreement regarding the loan facility of HK\$24,000,000 in relation to the Offer provided by Silverbricks Securities entered into between the Offeror as the borrower and Silverbricks Securities as the lender dated 30 June 2025

DEFINITION

“Offer Period”	has the meaning ascribed to it in the Takeovers Code, being the period commencing from the date of publication of the Joint Announcement, namely, 22 July 2025 and ending on the date of the close of the Offer, or such other time or date to which the Offeror may decide to extend the Offer in accordance with the Takeovers Code
“Offer Price”	the price of HK\$1.318 per Offer Share payable by the Offeror to the Shareholders for each Offer Share accepted under the Offer
“Offer Shares”	all the Shares in issue, other than those Shares already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it
“Offeror”	THAC Group (BVI) Limited, a company incorporated in BVI with limited liability, which is directly and beneficially owned as to 53%, 27%, 10%, 7% and 3% by Mr. Kwok Chun Kwan, Mr. Chan Benson, Ms. Ho Helen Kayee, Mr. Wong Kin Man, and Ms. Kwok Li Fa Eva, respectively
“Overseas Independent Shareholder(s)”	the Independent Shareholder(s) whose addresses, as shown on the register of members of the Company, is/are outside Hong Kong
“PRC” or “China”	the People’s Republic of China excluding, for the purpose of this Composite Document, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Registrar”	Union Registrars Limited, the Hong Kong share registrar of the Company
“Relevant Period”	the period commencing on the date falling six months preceding the date of commencement of the Offer Period (being 22 January 2025), and ending on and including the Latest Practicable Date
“Sale and Purchase Agreement”	the agreement for sale and purchase of shares dated 30 June 2025 entered into between the Vendors and the Offeror in relation to the sale and purchase of the Sale Shares

DEFINITION

“Sale Shares”	an aggregate of 36,615,125 Shares acquired by the Offeror pursuant to the Sale and Purchase Agreement, which represents approximately 65.7% of the total issued shares capital of the Company as at the Latest Practicable Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	holders of the Shares
“Shares”	the ordinary shares of nominal value of HK\$0.2 each in the share capital of the Company
“Silverbricks Securities”	Silverbricks Securities Company Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO, being one of the Joint Financial Advisers to the Offeror
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers issued by the SFC
“VBG Capital”	VBG Capital Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being one of the Joint Financial Advisers to the Offeror
“Vendor 1”	Peyton Global Limited, a company incorporated in the BVI with limited liability, is wholly and beneficially owned by Mr. Pong Kin Yee who is an executive Director and holds 22,771,433 Shares, representing approximately 40.9% of the total issued share capital of the Company as at the Latest Practicable Date

DEFINITION

“Vendor 2”	Wiltshire Global Limited, a company incorporated in the BVI with limited liability, is wholly and beneficially owned by Mr. Wong Arnold Chi Chiu who is an executive Director and holds 13,843,692 Shares, representing approximately 24.8% of the total issued share capital of the Company as at the Latest Practicable Date
“Vendors”	collectively, Vendor 1 and Vendor 2
“%”	per cent.

LETTER FROM SILVERBRICKS SECURITIES

Silverbricks Securities Company Limited

Rooms 1601-07, 16/F,
Nan Fung Tower,
88 Connaught Road Central,
Central, Hong Kong

8 September 2025

To the Independent Shareholders

Dear Sir/Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
SILVERBRICKS SECURITIES COMPANY LIMITED FOR AND ON
BEHALF OF THAC GROUP (BVI) LIMITED TO ACQUIRE ALL THE
ISSUED SHARES OF CLASSIFIED GROUP (HOLDINGS) LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR
AGREED TO BE ACQUIRED BY THE OFFEROR AND
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

Reference is made to the Joint Announcement dated 22 July 2025, where the Company and the Offeror jointly announced, among other things, that the Vendors and the Offeror entered into the Sale and Purchase Agreement dated 30 June 2025, pursuant to which the Vendors conditionally agreed to sell, and the Offeror conditionally agreed to acquire, the Sale Shares at the total consideration of HK\$48,228,336 (equivalent to HK\$1.3172 per Sale Share), which was agreed between the Offeror and the Vendors after arm's length negotiations, taking into account of the financial performance of the Group and the business prospects of the Group.

As disclosed in the section headed "Conditions of the Sale and Purchase Agreement" in the Joint Announcement, Completion is conditional upon the satisfaction (or waiver by the Offeror, where applicable) of certain conditions. Completion took place on 22 July 2025.

Before Completion, the Offeror and parties acting in concert with it did not have any interest in the Shares. Immediately upon Completion which took place on 22 July 2025 and as at the Latest Practicable Date, the Offeror and parties acting in concert with it owned in aggregate 36,615,125 Shares, representing approximately 65.7% of the issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned and agreed to be acquired by the Offeror and parties acting in concert with it). Silverbricks Securities is making the Offer for and on behalf of the Offeror.

LETTER FROM SILVERBRICKS SECURITIES

This letter forms part of this Composite Document which sets out, among other things, the principal terms of the Offer, the information of the Offeror and the Offeror's intentions on the Group. Further details on the terms of the Offer and procedures of acceptance and settlement and acceptance period are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance. The Independent Shareholders are strongly advised to consider carefully the information contained in sections headed "Letter from the Board", "Letter from the Independent Board Committee" and "Letter from the Independent Financial Adviser" and the appendices as set out in this Composite Document before reaching a decision as to whether or not to accept the Offer.

THE OFFER

Principal terms of the Offer

Silverbricks Securities and VBG Capital have been appointed as the Joint Financial Advisers to the Offeror in respect of the Offer. Silverbricks Securities, for and on behalf of the Offeror, will make the mandatory unconditional cash Offer to acquire all issued Shares in the share capital of the Company (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code on following basis:

For each Offer Share held HK\$1.318 in cash

The Offer Price of HK\$1.318 per Offer Share is greater than the purchase price per Sale Share payable by the Offeror under the Sale and Purchase Agreement. Save for the acquisition of the Sale Shares under the Sale and Purchase Agreement, the Offer Facility Agreement and the share charge of the Charged Shares, neither the Offeror nor any parties acting in concert with it had dealt for value in Shares during the Relevant Period.

The Offer will be extended to all Independent Shareholders in accordance with the Takeovers Code.

The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, recommended, declared, made or paid by reference to a record date on or after the date on which the Offer is made, that is, the date of despatch of the Composite Document.

As at the Latest Practicable Date, there were 55,750,000 Shares in issue and the Company did not have any outstanding options, warrants or derivatives or securities 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. Further details of the terms of the Offer and the procedures for acceptance and settlement and acceptance period are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

LETTER FROM SILVERBRICKS SECURITIES

As at the Latest Practicable Date, none of the members of the Offeror and parties acting in concert with it has received any irrevocable commitment to accept or not to accept the Offer. The Offer Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all Encumbrances and together with all rights attaching thereto, including the rights to receive all dividends and distributions declared, made or paid on or after the date on which the Offer is made.

The Company confirms that as at the Latest Practicable Date, (i) it does not have any dividend or distribution recommended, declared or made but unpaid; and (ii) it does not have any intention to make, declare or pay any future dividend/make other distributions until after the close of the Offer.

Comparison of value

The Offer Price of HK\$1.318 per Offer Share represents:

- (a) a discount of approximately 65.8% to the closing price of HK\$3.850 per Share as quoted on the Stock Exchange on 3 September 2025, being the Latest Practicable Date;
- (b) a premium of approximately 20.9% to the closing price of HK\$1.090 per Share as quoted on the Stock Exchange on 30 June 2025, being the Last Trading Day;
- (c) a premium of approximately 20.7% to the average closing price of approximately HK\$1.092 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a premium of approximately 20.5% to the average closing price of approximately HK\$1.094 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (e) a premium of approximately 23.1% over the average closing price of approximately HK\$1.070 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (f) a premium of approximately HK\$1.147 (being approximately 672.6%) to the audited consolidated net asset value of the Group of approximately HK\$0.1706 per Share as at 31 December 2024 calculated based on the audited net assets of the Group as at 31 December 2024 of approximately HK\$9,509,000 and 55,750,000 Shares in issue as at the Latest Practicable Date; and

LETTER FROM SILVERBRICKS SECURITIES

- (g) a premium of approximately HK\$1.201 (being approximately 1,025.9%) to the unaudited consolidated net asset value of the Group of approximately HK\$0.1706 per Share as at 30 June 2025 calculated based on the unaudited net assets of the Group as at 30 June 2025 of approximately HK\$6,526,000 and 55,750,000 Shares in issue as at the Latest Practicable Date.

Highest and lowest Share price

During the six-month period immediately preceding and including the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$1.15 from 29 April 2025 to 30 April 2025 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.47 on 24 January 2025.

Total value of the Offer

As at the Latest Practicable Date, there were 55,750,000 Shares in issue. The Offer Price of HK\$1.318 per Offer Share under the Offer is greater than the purchase price per Sale Share payable by the Offeror under the Sale and Purchase Agreement. Assuming there is no change in the issued share capital of the Company from the date of the Joint Announcement up to the Closing Date and based on the Offer Price of HK\$1.318 per Offer Share, the Consideration, together with the value of the Offer, would be valued at HK\$73,478,500.

Immediately following Completion and on the basis that there are 19,134,875 Shares subject to the Offer and assuming that there is no change in the issued share capital of the Company from the date of the Joint Announcement up to the Latest Practicable Date, in the event that the Offer is accepted in full, the aggregate value of the Offer is HK\$25,219,765.

Confirmation of financial resources

The maximum consideration payable by the Offeror in respect of acceptances of the Offer is HK\$25,219,765, assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to the Closing Date and based on the Offer Price of HK\$1.318 per Offer Share.

The Offeror will finance and satisfy the maximum consideration payable under the Offer by its internal resources and the Offer Facility. The Offer Facility is secured by, among others, the share charge of the Charged Shares.

The Offeror confirms that the payment of interest on, repayment of, or security for, any liability (contingent or otherwise) relating to the Offer Facility will not depend on any significant extent on the business of the Company.

LETTER FROM SILVERBRICKS SECURITIES

Silverbricks Securities and VBG Capital, being the Joint Financial Advisers to the Offeror, are satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum consideration payable upon full acceptance of the Offer.

Conditions of the Offer

The Offer is unconditional in all respects when it is made and extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code.

Effect of accepting the Offer

Acceptance of the Offer by any Independent Shareholders will constitute a warranty by such person that all Offer Shares to be sold by such person under the Offer is fully paid and free from all Encumbrances and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, recommended, declared, made or paid by reference to a record date on or after the date of the Composite Document.

As the Offer is unconditional, acceptance of the Offer would be irrevocable and would not be capable of being withdrawn in accordance with the Takeovers Code, except as permitted under the Takeovers Code, details of which are set out in the paragraph headed “6. RIGHT OF WITHDRAWAL” in Appendix I to this Composite Document.

Payment

Payment in cash in respect of acceptances of the Offer will be made by the Offeror as soon as possible but in any event no later than seven (7) Business Days after the receipt of duly completed acceptances of the Offer. Relevant documents evidencing title must be received by or on behalf of the Offeror to render such acceptance of the Offer complete and valid in accordance with the Takeovers Code.

No fractions of a Hong Kong cent will be payable and the amount of cash consideration payable to an Independent Shareholder who accepts the Offer (as the case may be) will be rounded up to the nearest Hong Kong cent.

Hong Kong stamp duty

The Offer Shareholders' ad valorem stamp duty at a rate of 0.10% of the market value of the Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the cash amount payable to the relevant Offer Shareholder on acceptance of the Offer. The Offeror will arrange for payment of the ad valorem stamp duty on behalf of accepting Offer Shareholders and bear the Offeror's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares.

LETTER FROM SILVERBRICKS SECURITIES

Your attention is drawn to the further details regarding the procedures for acceptance and settlement and acceptance period as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

Overseas Independent Shareholders

The Offeror intends to make the Offer available to all Independent Shareholders including the Overseas Independent Shareholders.

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

Any acceptance of the Offer by any Overseas Independent Shareholder will be deemed to constitute a representation and warranty from such Overseas Independent Shareholder to the Offeror that the local laws and requirements have been complied with. Overseas Independent Shareholders should consult their professional advisers if in doubt. The Overseas Independent Shareholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

Taxation advice

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

Procedures for acceptance

Your attention is drawn to “Further terms and procedures for acceptance of the Offer” as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

LETTER FROM SILVERBRICKS SECURITIES

INFORMATION ON THE GROUP

Details of the information on the Group are set out in the paragraph headed “Information on the Group” in the “Letter from the Board” in this Composite Document.

INFORMATION ON THE OFFEROR

The Offeror was incorporated in BVI with limited liability. The Offeror is principally engaged in investment holding and the Offeror’s group is principally engaged in restaurant operations in Hong Kong. The directors of the Offeror are Mr. Kwok Chun Kwan, Mr. Chan Benson, and Ms. Ho Helen Kayee. The Offeror is directly and beneficially owned as to 53%, 27%, 10%, 7% and 3% by Mr. Kwok Chun Kwan, Mr. Chan Benson, Ms. Ho Helen Kayee, Mr. Wong Kin Man, and Ms. Kwok Li Fa Eva, respectively.

As at the Latest Practicable Date, the Offeror, its ultimate beneficial shareholders and parties acting in concert with any of them are interested in 36,615,125 Shares, representing approximately 65.7% of the total issued share capital of the Company.

Mr. Kwok Chun Kwan (“**Mr. Kwok**”), aged 36, has over 15 years of experience in the food and beverage industry in Hong Kong. He currently serves as the chairman and founder, and is also one of the directors, of THAC Group Holding Limited (“**THAC Group**”). Since 2025, Mr. Kwok has been serving as the vice chairperson of the board of directors of Yan Oi Tong.

THAC Group founded by Mr. Kwok in 2016, is a diversified catering group in Hong Kong. THAC Group is principally engaged in the operation of more than 30 restaurants across 11 distinctive restaurant brands, including Jasmine Cuisine (茶皇殿), Seasons Café(四季冰室), Pearl Castle (圓香), and T Goose Factory (一本燒鵝), offering a wide variety of innovative dining experiences in Hong Kong. Its customer base covers local families, students, working professionals, and international visitors seeking authentic Hong Kong flavours.

As at the Latest Practicable Date, Mr. Kwok does not hold any directorship in any listed company in Hong Kong and is not a substantial shareholder of any listed company in Hong Kong. Mr. Kwok is the spouse of Ms. Ho Helen Kayee.

Mr. Chan Benson, aged 36, has approximately 8 years of experience in the food and beverage industry in Hong Kong. He is one of the directors of THAC Group. Mr. Chan holds a bachelor’s degree from the University of California, Irvine.

As at the Latest Practicable Date, Mr. Chan Benson does not hold any directorship in any listed company in Hong Kong and is not a substantial shareholder of any listed company in Hong Kong.

Ms. Ho Helen Kayee, aged 35, has approximately 8 years of experience in the food and beverage industry in Hong Kong. She is one of the directors of THAC Group.

LETTER FROM SILVERBRICKS SECURITIES

As at the Latest Practicable Date, Ms. Ho Helen Kayee does not hold any directorship in any listed company in Hong Kong and is not a substantial shareholder of any listed company in Hong Kong. Ms. Ho Helen Kayee is the spouse of Mr. Kwok.

Immediately before the Completion, the Offeror, its ultimate beneficial owners and parties acting in concert with any of them are third parties independent of, and not connected with, either the Company or any of its connected persons.

INTENTIONS OF THE OFFEROR REGARDING THE GROUP

The Company is principally engaged in investment holding and the Group is principally engaged in restaurant operations in Hong Kong. It is the intention of the Offeror to continue with the Group's existing principal business activities.

Upon Completion, while continuing the principal business of the Group, the Offeror will conduct a review of the existing principal businesses, operations, financial position, investments, proposed investments of the Group for the purpose of formulating long-term business plans and strategies for the future business development of the Group.

Further, subject to the results of the review, the Offeror may explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalization, 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, the Offeror has no intention to introduce major changes to the existing business of the Group and intends to maintain the Company's existing principal activities.

As at the Latest Practicable Date, no material investment or business opportunity has been identified nor has the Offeror, its ultimate beneficial shareholders or any party acting in concert with any of them entered into any agreement, arrangement, understandings or negotiation in relation to the injection of any asset or business into the Group.

The Offeror will, depending on the business operations and development of the Group in the future, constantly review the employee structure of the Group so as to meet the needs of the Group from time to time. As at the Latest Practicable Date, the Offeror has no intention to (i) discontinue the employment of any employees of the Group (who are not Directors of the Company); or (ii) redeploy the fixed assets of the Company other than those in its ordinary and usual course of business. However, the Offeror reserves the right to make such changes that it deems necessary or appropriate to the Group's business and operations to optimise the value of the Group.

LETTER FROM SILVERBRICKS SECURITIES

PROPOSED CHANGES OF BOARD COMPOSITION

As at the Latest Practicable Date, the Board comprises Mr. Wong Arnold Chi Chiu, Mr. Pong Kin Yee and Mr. Li Kai Leung as executive Directors, and Dr. Chan Kin Keung Eugene, Mr. Ng Chun Fai Frank, Ms. Wong Tsui Yue Lucy and Mr. Yue Man Yiu Matthew as independent non-executive Directors.

It is intended that all seven Directors will resign with effect from the earliest time permitted under the GEM Listing Rules and Rule 7 of the Takeovers Code (i.e. after the publication of the closing announcement on the closing date of the Offer). The Offeror intends to nominate new Directors to the Board immediately upon the said resignation becoming effective and any such appointment will be made in compliance with the Takeovers Codes and the GEM Listing Rules and further announcement(s) will be made as and when appropriate.

The Offeror proposes to nominate Mr. Kwok Chun Kwan, Mr. Chan Benson and Ms. Ho Helen Kayee as executive Directors. The biographies of the proposed new Directors to be nominated are set out below:

Biographies of Proposed New Directors Nominated by the Offeror

Mr. Kwok Chun Kwan (郭鎮坤), aged 36, nominated by the Offeror as an executive Director and the chairman of the Board, obtained a hospitality management diploma with Honors in American Hotel & Lodging Educational Institute in 2008. Mr. Kwok possesses strong strategic vision and extensive experience in business management, with over 15 years in Hong Kong's food and beverage industry. He currently serves as the chairman and founder, and is also one of the directors, of THAC Group. Since 2025, Mr. Kwok has been serving as the vice chairperson of the board of directors of Yan Oi Tong.

Mr. Chan Benson (陳焯熙), aged 36, nominated by the Offeror as an executive Director, obtained a bachelor's degree from the University of California, Irvine in 2009. He has approximately 8 years of experience in the food and beverage industry in Hong Kong. He is one of the directors of THAC Group.

Ms. Ho Helen Kayee (何嘉怡), aged 35, nominated by the Offeror as an executive Director, obtained a hospitality management diploma with Honors in American Hotel & Lodging Educational Institute in 2012. She has approximately 8 years of experience in the food and beverage industry in Hong Kong. She is one of the directors of THAC Group.

The proposed term of office and level of remuneration of each of the proposed new Directors shall be determined and announced by the Company in due course. As at the Latest Practicable Date, the Company has not entered into a service contract with any of the proposed new Directors in respect of his/her proposed appointment as a Director.

LETTER FROM SILVERBRICKS SECURITIES

Save as the 36,615,125 Shares (representing approximately 65.7% of the total issued share capital of the Company) held by the Offeror and disclosed above, as at the Latest Practicable Date, each of the proposed new Directors nominated by the Offeror (i) does not hold any other position in the Company or its subsidiaries nor have any relationship with any Director, senior management, substantial shareholders or controlling shareholders of the Company; (ii) has not held any directorship in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or other major appointments and professional qualifications; and (iii) does not have, and is not deemed to have, any interests in any shares, underlying shares or debentures of the Company and/or its associated corporation(s) within the meaning of Part XV of the SFO and under the Takeovers Code.

Save as disclosed above, there is no information that needs to be disclosed pursuant to the requirements under Rules 17.50(2)(h) to (w) of the GEM Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders in relation to the appointment of the proposed new Directors nominated by the Offeror.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer and has no intention to privatize the Company. It intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury shares), are held by the public or if the Stock Exchange believes that: (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares.

Therefore, it should be noted that upon the close of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares.

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

COMPULSORY ACQUISITION

The Offeror does not intend to exercise any right which may be available to it to compulsorily acquire any outstanding Offer Shares not acquired under the Offer.

LETTER FROM SILVERBRICKS SECURITIES

ACCEPTANCE AND SETTLEMENT

Your attention is drawn to the further details regarding further terms and conditions of the Offer, the procedures for acceptance and settlement and the acceptance period as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

GENERAL

This Composite Document has been prepared for the purposes of complying with the laws of Hong Kong, the Takeovers Code and the GEM Listing Rules and the information disclosed may not be the same as which would have been disclosed if this Composite Document had been prepared in accordance with the laws of jurisdictions outside Hong Kong.

To ensure equality of treatment of all Independent Shareholders, those Independent Shareholders who hold Shares as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

The attention of the Overseas Independent Shareholders is drawn to the section headed “Important Notices” contained in this Composite Document and the paragraph headed “**7. OVERSEAS INDEPENDENT SHAREHOLDERS**” in Appendix I to this Composite Document.

All documents and remittances to be sent to the Independent Shareholders will be sent to them by ordinary post at their own risk. Such documents and remittances will be sent to the Independent Shareholders at their respective addresses as they appear in the register of members of the Company or in the case of joint Shareholders, to such Shareholder whose name appears first in the register of members of the Company. None of the members of the Offeror and the parties acting in concert with any of them, the Company, Silverbricks Securities, VBG Capital, the Registrar or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other persons involved in the Offer will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof or in connection therewith.

WARNING

Independent Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

LETTER FROM SILVERBRICKS SECURITIES

ADDITIONAL INFORMATION

Your attention is drawn to the “Letter from the Board” and the “Letter from the Independent Board Committee” as set out in this Composite Document, the accompanying Form of Acceptance and the additional information set out in the appendices to, which form part of, this Composite Document and to consult your professional advisers, before deciding whether or not to accept the Offer.

Yours faithfully,

For and on behalf of
Silverbricks Securities Company Limited
Yau Tung Shing
Director

For and on behalf of
VBG Capital Limited
Doris Sing
Managing Director

LETTER FROM THE BOARD

Classified Group (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8232)

Executive Directors:

Mr. Wong Arnold Chi Chiu

Mr. Pong Kin Yee

Mr. Li Kai Leung

Registered office in Cayman Islands:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Independent non-executive Directors:

Dr. Chan Kin Keung Eugene

Mr. Ng Chun Fai Frank

Ms. Wong Tsui Yue Lucy

Mr. Yue Man Yiu Matthew

Principal place of business in Hong Kong:

2/F Cheung Tak Industrial Building

30 Wong Chuk Hang Road

Wong Chuk Hang

Hong Kong

8 September 2025

To the Independent Shareholders:

Dear Sir/Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
SILVERBRICKS SECURITIES COMPANY LIMITED FOR AND
ON BEHALF OF THAC GROUP (BVI) LIMITED TO
ACQUIRE ALL THE ISSUED SHARES OF
CLASSIFIED GROUP (HOLDINGS) LIMITED
(OTHER THAN THOSE ALREADY OWNED OR
AGREED TO BE ACQUIRED BY THE OFFEROR AND/OR
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

Reference is made to the Joint Announcement issued by the Offeror and the Company in relation to, among others, the Sale and Purchase Agreement and the Offer. Terms used in this letter shall have the same meanings as those defined in this Composite Document unless the context otherwise requires.

LETTER FROM THE BOARD

On 30 June 2025, the Vendors and the Offeror entered into the Sale and Purchase Agreement, pursuant to which the Vendors agreed to sell and the Offeror agreed to purchase 36,615,125 Shares (representing approximately 65.7% of the total issued share capital of the Company as at the date of the Sale and Purchase Agreement), for the Consideration of HK\$48,228,336 (being HK\$1.3172 per Sale Share), which was agreed between the Offeror and the Vendors after arm's length negotiations, taking into account of the financial performance of the Group and the business prospects of the Group.

Immediately following the Completion and as at the Latest Practicable Date, the Offeror and parties acting in concert with it were interested in an aggregate of 36,615,125 Shares, representing approximately 65.7% of the total issued share capital of the Company. Accordingly, Silverbricks Securities is making the Offer for and on behalf of the Offeror in compliance with the Takeovers Code.

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things, (i) further information relating to the Group, the Offeror and parties acting in concert with it and the Offer; (ii) the Letter from Silverbricks Securities containing, among others, the details of the Offer; (iii) the letter from the Independent Board Committee containing its recommendations to the Independent Shareholders in respect of the Offer; and (iv) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the terms of the Offer and as to the acceptance of the Offer.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Under Rule 2.1 of the Takeovers Code, a board which receives an Offer or is approached with a view to an Offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation: (i) as to whether the Offer is, or is not, fair and reasonable; and (ii) as to acceptance.

An Independent Board Committee comprising all the non-executive Directors who have no direct or indirect interest in the Offer, namely Dr. Chan Kin Keung Eugene, Mr. Ng Chun Fai Frank, Ms. Wong Tsui Yue Lucy and Mr. Yue Man Yiu Matthew, has been established in accordance with Rule 2.1 and 2.8 of the Takeovers Code to make a recommendation to the Independent Shareholders in respect of the Offer as to whether the Offer is fair and reasonable and as to acceptance of the Offer.

Red Sun Capital has 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 Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. The advice of the Independent Financial Adviser and the recommendations of the Independent Board Committee are included in the Composite Document despatched to the Independent Shareholders.

LETTER FROM THE BOARD

The full texts of the letter from the Independent Board Committee addressed to the Independent Shareholders and the letter from the Independent Financial Adviser addressed to the Independent Board Committee and the Independent Shareholders are set out in this Composite Document.

You are advised to read both letters and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Offer.

THE OFFER

PRINCIPAL TERMS OF THE OFFER

As disclosed in the “Letter from Silverbricks Securities”, Silverbricks Securities is making the Offer for and on behalf of the Offeror in compliance with the Takeovers Code on the following basis:

For each Offer Share held HK\$1.318 in cash

The Offer Price of HK\$1.318 per Offer Share is greater than the highest price paid by the Offeror and parties acting in concert with it for the acquisition of the Shares within six months prior to the commencement of the offer period.

The Offer is extended to all Independent Shareholders in accordance with the Takeovers Code.

The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, recommended, declared, made or paid by reference to a record date on or after the date on which the Offer is made, that is, the date of despatch of the Composite Document.

As at the Latest Practicable Date, there were 55,750,000 Shares in issue and the Company did not have any outstanding options, warrants or derivatives or securities 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. Further details of the terms of the Offer and the procedures for acceptance and settlement and acceptance period are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

LETTER FROM THE BOARD

As at the Latest Practicable Date, none of the members of the Offeror and parties acting in concert with it has received any irrevocable commitment not to accept the Offer. The Offer Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all Encumbrances and together with all rights attaching thereto, including the rights to receive all dividends and distributions declared, made or paid on or after the date on which the Offer is made (i.e. the date of this Composite Document).

The Company confirms that as at the Latest Practicable Date, (i) it does not have any dividend or distribution recommended, declared or made but unpaid; and (ii) it does not have any intention to make, declare or pay any future dividend/make other distributions until after the close of the Offer.

Further details of the Offer is set out in the “Letter from Silverbricks Securities I” and the additional information contained in appendices to this Composite Document and the accompanying Form of Acceptance.

The Offer Price

Please see the paragraphs headed “Comparison of value” and “Highest and lowest Share price” in the “Letter from Silverbricks Securities” for details of the Offer Price.

Total value of the Offer

Please see the paragraphs headed “Total value of the Offer” in the “Letter from Silverbricks Securities” for details of the Offer Price.

Further details of the Offer

Further details of the Offer, including, among other things, its extension to the Overseas Independent Shareholders, information on taxation, the terms and conditions and the procedures for acceptance and settlement and acceptance period can be found in the “Letter from Silverbricks Securities” and “Appendix I – Further Terms and Procedures for the Acceptance of the Offer” to this Composite Document and the accompanying Form of Acceptance.

INFORMATION ON THE GROUP

The Company is incorporated in the Cayman Islands with limited liability and the Shares are listed on the GEM of the Stock Exchange. The Company is principally engaged in investment holding and the Group is principally engaged in restaurant operations in Hong Kong.

Pursuant to Note 3 to Rule 2 of the Takeovers Code, the Board would like to draw the attention of the Independent Shareholders to the existence of a material uncertainty related to the Group’s ability to continue as a going concern as at 31 December 2022, 2023 and 2024 contained in BDO Limited’s report in Annual Report 2022, Annual Report 2023 and Annual Report 2024 (please refer to Appendix II to this Composite Document for details). The material uncertainty

LETTER FROM THE BOARD

relating to the “going concern” basis of the Company means that the Independent Shareholders are advised to take into account the foregoing and consider carefully the terms of the Offer. If the Independent Shareholders decide not to accept the Offer, they should be aware of the potential risks associated with the material uncertainty in respect of the “going concern” issue.

Financial and general information in relation to the Group are set out in “Appendix II – Financial Information of the Group” and “Appendix IV – General Information of The Group” to this Composite Document.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, there are 55,750,000 Shares in issue, of which 36,615,125 Shares are held by the Offeror and parties acting in concert with it (representing approximately 65.7% of the total issued share capital of the Company).

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

The shareholding structure of the Company (i) immediately before the Completion and (ii) immediately after the Completion and as at the Latest Practicable Date are as follows:

Shareholders	Immediately before the Completion		Immediately after the Completion and as at the Latest Practicable Date	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Offeror, its ultimate beneficial shareholders and parties acting in concert with any of them	–	–	36,615,125	65.7
Vendor 1 <i>Note 1</i>	22,771,433	40.9	–	–
Vendor 2 <i>Note 2</i>	13,843,692	24.8	–	–
Other Shareholders	<u>19,134,875</u>	<u>34.3</u>	<u>19,134,875</u>	<u>34.3</u>
Total	<u><u>55,750,000</u></u>	<u><u>100.00</u></u>	<u><u>55,750,000</u></u>	<u><u>100.00</u></u>

LETTER FROM THE BOARD

Notes:

- (1) Mr. Pong Kin Yee, an executive Director, beneficially owns 100% equity interest in Vendor 1.
- (2) Mr. Wong Arnold Chi Chiu, an executive Director, beneficially owns 100% equity interest in Vendor 2.

Immediately after the Completion and as at the Latest Practicable Date, save as disclosed above, none of the Directors, the Offeror, its ultimate beneficial owners and parties acting in concert with any of them holds any Shares and any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed “Information of the Offeror” in the “Letter from Silverbricks Securities” and Appendix IV “General Information of the Offeror” to this Composite Document.

INTENTIONS OF THE OFFEROR REGARDING THE GROUP

Your attention is drawn to the section headed “Intentions of the Offeror regarding the Group” in the “Letter from Silverbricks Securities” to this Composite Document. The Board is aware of the Offeror’s intention to continue the employment of the existing management and employees of the Group. The Board is aware that the Offeror also intends to continue the existing principal business of the Group. The Board is also aware that the Offeror intends to conduct a review of the existing principal businesses, operations, financial position, investments, proposed investments of the Group for the purpose of formulating long-term 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 rationalization, 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. However, as at the Latest Practicable Date, no such investment or business opportunities has been identified nor has the Offeror, its ultimate beneficial shareholders or any party acting in concert with any of them entered into any agreement, arrangements, understandings or negotiation in relation to the injection of any assets or business into the Group. The Board is willing to cooperate with the Offeror and act in the best interests of the Company and its Shareholders as a whole.

TAXATION ADVICE

Your attention is drawn to the paragraph headed “Taxation advice” in the “Letter from Silverbricks Securities” to this Composite Document.

Independent Shareholders are recommended to consult their own professional advisers as to the tax implications that may arise from accepting or rejecting the Offer.

LETTER FROM THE BOARD

PROPOSED CHANGES OF BOARD COMPOSITION OF THE COMPANY

Your attention is drawn to the section headed “Proposed changes of Board composition” in the “Letter from Silverbricks Securities” to this Composite Document.

The Board is aware that as at the Latest Practicable Date, the Offeror intended to nominate new Director(s) to the Board immediately upon the resignation of all seven Directors becoming effective (i.e. after the publication of the closing announcement on the closing date of the Offer) and any such appointment will be made in compliance with the Takeovers Codes and the GEM Listing Rules and further announcement(s) will be made as and when appropriate. For the biographies of the proposed new Directors, please refer to the section headed “Biographies of Proposed New Directors Nominated by the Offeror” in the “Letter from Silverbricks Securities”. It is intended that all seven Directors will resign from a date which is no earlier than such date as permitted under Rule 7 of the Takeovers Code (i.e. after the publication of the closing announcement on the Closing Date). Any changes to the members of the Board will be made in compliance with the Takeovers Code and/or the Listing Rules and further announcement(s) will be made as and when appropriate.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

As mentioned in the paragraph headed “PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY” in the “Letter from Silverbricks Securities” of this Composite Document, the Offeror has no intention to privatize the Company and intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury shares), are held by the public or if the Stock Exchange believes that: (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares.

Therefore, it should be noted that upon the close of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares.

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

LETTER FROM THE BOARD

RECOMMENDATION

None of the members of the Independent Board Committee is interested in or involved in the Offer.

Your attention is drawn to the “Letter from the Independent Board Committee” set out in this Composite Document which contains the recommendation of the Independent Board Committee in respect of the Offer. Your attention is also drawn to the “Letter from Independent Financial Adviser” set out in this Composite Document, which contains its advice to the Independent Board Committee in respect of the terms of the Offer and as to the acceptance of the Offer.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this Composite Document. You are also recommended to read carefully “Appendix I – Further Terms and Procedures for the Acceptance of the Offer” to this Composite Document and the accompanying Form of Acceptance for further details in respect of the procedures for acceptance of the Offer.

In considering what action to take in connection with the Offer, you should consider your own tax positions, if any, and, in case of any doubt, consult your professional advisers.

By order of the Board of
Classified Group (Holdings) Limited
Wong Arnold Chi Chiu
Chairman & Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Classified Group (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8232)

8 September 2025

To the Independent Shareholders:

Dear Sir/Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
SILVERBRICKS SECURITIES COMPANY LIMITED FOR AND
ON BEHALF OF THAC GROUP (BVI) LIMITED TO
ACQUIRE ALL THE ISSUED SHARES OF
CLASSIFIED GROUP (HOLDINGS) LIMITED
(OTHER THAN THOSE ALREADY OWNED OR
AGREED TO BE ACQUIRED BY THE OFFEROR AND/OR
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We refer to the composite Offer and response document dated 8 September 2025 issued jointly by the Offeror and the Company (the “**Composite Document**”), of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as those defined in this Composite Document.

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

Red Sun Capital Limited has been appointed, with our approval, as the Independent Financial Adviser to advise us in respect of the fairness and reasonableness of the Offer and as to the acceptance of the Offer. Your attention is drawn to the “Letter from the Independent Financial Adviser” set out on pages 32 to 60 of this Composite Document which contains the details of its advice and the principal factors and reasons taken into consideration in arriving at its recommendation in respect of the Offer.

We also wish to draw your attention to the “Letter from Silverbricks Securities” set out on pages 10 to 21 of this Composite Document which contains, *inter alia*, information about the Offer, the “Letter from the Board” set out on pages 22 to 29 of this Composite Document and the additional information set out in this Composite Document, including the appendices to this Composite Document and the accompanying Form of Acceptance in respect of the terms of the Offer and acceptance and settlement procedures for the Offer.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

RECOMMENDATION

Taking into account the terms of the Offer and the independent advice from the Independent Financial Adviser, and the principal factors and reasons taken into account in arriving at its recommendation, we consider that the terms of the Offer is not fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders not to accept the Offer.

The Independent Shareholders who wish to realise part or all their investments in the Company are reminded to monitor the trading price and liquidity of the Shares during the Offer Period and should, having regard to their own circumstances, consider selling their Shares in the open market instead of accepting the Offer, if the net proceeds obtained from such disposal of the Shares (after deducting all transaction costs) would be higher than the net proceeds from accepting the Share Offer. Notwithstanding our recommendation, the Independent Shareholders are strongly advised that the decision to realise or to hold their investment is subject to individual circumstances and investment objectives. If in doubt, the Independent Shareholders should consult their own professional advisers for advice. Furthermore, the Independent Shareholders who wish to accept the Offer is recommended to read carefully the terms and procedures for acceptance of the Offer as detailed in this Composite Document and the accompanying Form of Acceptance.

Yours faithfully,

The Independent Board Committee

Classified Group (Holdings) Limited

Dr. Chan Kin	Mr. Ng Chun	Ms. Wong Tsui	Mr. Yue Man
Keung Eugene	Fai Frank	Yue Lucy	Yiu Matthew
<i>Independent non-executive Director</i>	<i>Independent non-executive Director</i>	<i>Independent non-executive Director</i>	<i>Independent non-executive Director</i>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from the Independent Financial Adviser which sets out its advice to the Independent Board Committee in respect of the Offer for inclusion in this Composite Document.



紅日資本有限公司
RED SUN CAPITAL LIMITED

Room 2703, 27/F,
China Insurance Group Building,
141 Des Voeux Road Central,
Hong Kong

Tel: (852) 2857 9208
Fax: (852) 2857 9100

8 September 2025

To: The Independent Board Committee of Classified Group (Holdings) Limited

Dear Sir/Madam,

**UNCONDITIONAL MANDATORY CASH OFFER BY
SILVERBRICKS SECURITIES COMPANY LIMITED FOR AND
ON BEHALF OF THAC GROUP (BVI) LIMITED TO ACQUIRE ALL THE
ISSUED SHARES OF CLASSIFIED GROUP (HOLDINGS) LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE
ACQUIRED BY THE OFFEROR AND/OR PARTIES ACTING
IN CONCERT WITH IT)**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer, details of which are set out in the Composite Document dated 8 September 2025, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Composite Document unless the context otherwise requires.

On 30 June 2025, the Vendors (as vendors) and the Offeror (as purchaser) entered into the Sale and Purchase Agreement, pursuant to which the Vendors have agreed to sell to the Offeror, and the Offeror has agreed to acquire, the Sale Shares (representing approximately 65.7% of the issued share capital of the Company as at the Latest Practicable Date), at the Consideration to be fully settled upon the Completion.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Immediately following the Completion, the Offeror and parties acting in concert with it are interested in 36,615,125 Shares, representing approximately 65.7% of the total issued share capital of the Company. Therefore, pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and the parties acting in concert with it).

THE INDEPENDENT BOARD COMMITTEE

An Independent Board Committee, comprising all four independent non-executive directors of the Company, namely Dr. Chan Kin Keung Eugene, Mr. Ng Chun Fai Frank, Ms. Wong Tsui Yue Lucy and Mr. Yue Man Yiu Matthew, has been formed to make a recommendation to the Independent Shareholders as to whether Offer is fair and reasonable and as to the acceptance of the Offer.

We, Red Sun, have been appointed by the Company as the independent financial adviser to advise the Independent Board Committee in relation to the Offer. Pursuant to Rule 2.1 of the Takeovers Code, our appointment has been approved by the Independent Board Committee. Our role as the independent financial adviser is to give our recommendation to the Independent Board Committee as to (i) whether Offer is fair and reasonable so far as the Independent Shareholders are concerned; and (ii) whether the Independent Shareholders should, or should not, accept the Offer.

OUR INDEPENDENCE

As at the Latest Practicable Date, we were independent from and not connected with the Company, the Vendors or the Offeror and any of their respective associates, or any party acting, or presumed to be acting, in concert with any of them and accordingly, are qualified to give independent advice to the Independent Board Committee in respect of the Offer.

In the previous two years, save for this appointment and our appointment as the independent financial adviser for the transactions involving a rights issue on the basis of three rights shares for every two consolidated shares, connected transaction in relation to the underwriting agreement and application for whitewash waiver, details of which are set out in the circular of the Company dated 18 August 2023, we did not act as an independent financial adviser to the Company under the Listing Rules or Takeovers Code. Apart from normal professional fees paid or payable to us in connection with the current appointment and our previous appointment as the independent financial adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company. As we were independent from and not connected with the Company, the Vendors or the Offeror and any of their respective associates, or any party acting, or presumed to be acting, in concert with any of them and accordingly as at the Latest Practicable Date, and that our previous appointment was as independent financial adviser to the Company, thus it does not affect our independence in this appointment.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION AND RECOMMENDATION

In formulating our opinion, we have relied on the statements, information, opinions and representations contained in the Composite Document and the information and representations provide to us by the directors of the Company (the “**Directors**”) and the management of the Company (the “**Management**”). We have assumed that all statements, information and representations provided by the Directors and the management of the Company, for which they are solely responsible, were true and accurate at the time when they were provided and continue to be so as at the Latest Practicable Date and the Shareholders will be notified of any material changes to such information and representations as soon as possible in accordance with Rule 9.1 of the Takeovers Code.

We have also assumed that all statements of belief, opinion and expectation made by the Directors in the Composite Document were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Composite Document, or the reasonableness of the opinions expressed by the Company, its advisers, the Management and/or the Directors. We believe that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Directors and the Management, nor have we conducted an independent investigation into the business and affairs of the Company, the Vendor, the Offeror and their respective shareholder(s) and subsidiaries or affiliates, and their respective histories, experience and track records, or the prospects of the markets in which they respectively operate. Our opinion is necessarily based on financial, economic, market and other conditions in effect and the information made available to us at the Latest Practicable Date. This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely for their consideration of the Offer.

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

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Composite Document (other than information relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Composite Document (other than those expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statement contained in the Composite Document misleading.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 and the Independent Shareholders solely in connection with their consideration of the Offer, 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. In the event of inconsistency, the English text of this letter shall prevail over the Chinese translation of this letter.

PRINCIPAL TERMS OF THE OFFER

As set out in the Letter form Silverbricks Securities, Silverbricks Securities and VBG Capital have been appointed as the Joint Financial Advisers to the Offeror in respect of the Offer. Silverbricks Securities, for and on behalf of the Offeror, will make the mandatory unconditional cash Offer to acquire all issued Shares in the share capital of the Company (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code on following basis:

For each Offer Share HK\$1.318 in cash

The Offer Price of HK\$1.318 per Offer Share is greater than the highest price paid by the Offeror and parties acting in concert with it for the acquisition of the Shares within six months prior to the commencement of the offer period.

The Offer is extended to all Independent Shareholders in accordance with the Takeovers Code.

The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, recommended, declared, made or paid by reference to a record date on or after the date on which the Offer is made, that is, the date of despatch of the Composite Document.

As at the Latest Practicable Date, there were 55,750,000 Shares in issue and the Company did not have any outstanding options, warrants or derivatives or securities 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. Further details of the terms of the Offer and the procedures for acceptance and settlement and acceptance period are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, none of the members of the Offeror and parties acting in concert with it has received any irrevocable commitment to accept or not to accept the Offer. The Offer Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all Encumbrances and together with all rights attaching thereto, including the rights to receive all dividends and distributions declared, made or paid on or after the date on which the Offer is made.

The Company confirms that as at the Latest Practicable Date, (i) it does not have any dividend or distribution recommended, declared or made but unpaid; and (ii) it does not have any intention to make, declare or pay any future dividend/make other distributions until after the close of the Offer.

As set out in the Letter from Silverbricks Securities to the Composite Document, the Offer Price of HK\$1.318 per Offer Share paid by the Offeror pursuant to the Agreement and represents:

- (a) a discount of approximately 65.8% to the closing price of HK\$3.850 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 20.9% over the closing price of HK\$1.090 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a premium of approximately 20.7% over the average closing price of approximately HK\$1.092 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a premium of approximately 20.5% over the average closing price of approximately HK\$1.094 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (e) a premium of approximately 23.1% over the average closing price of approximately HK\$1.070 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (f) a premium of approximately HK\$1.147 (being approximately 672.6%) over the audited consolidated net asset value of the Group of approximately HK\$0.1706 per Share as at 31 December 2024 calculated based on the audited net asset of the Group as at 31 December 2024 of approximately HK\$9,509,000 and 55,750,000 Shares in issue as at the Latest Practicable Date; and
- (g) a premium of approximately HK\$1.201 (being approximately 1,025.9%) to the unaudited consolidated net asset value of the Group of approximately HK\$0.1706 per Share as at 30 June 2025 calculated based on the unaudited net assets of the Group as at 30 June 2025 of approximately HK\$6,526,000 and 55,750,000 Shares in issue as at the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

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

1. Financial information of the Group and outlook

(a) *Historical financial information of the Group*

The Company is incorporated in the Cayman Islands with limited liability and the Shares are listed on the GEM of the Stock Exchange. The Company is principally engaged in investment holding and the Group is principally engaged in restaurant operations in Hong Kong.

We herewith set out a summary of the financial information of the Group for the six months ended 30 June 2024 and 2025 as extracted from the interim results announcement of the Group for the six months ended 30 June 2025 (the “**2025 Interim Results Announcement**”) and for the years ended 31 December 2022, 2023 and 2024 as extracted from the annual reports of the Group for the year ended 31 December 2023 (the “**2023 Annual Report**”) and 31 December 2024 (the “**2024 Annual Report**”), respectively:

Summary of the Group’s consolidated statement of financial position

	As at 30 June 2025 HK\$’000	As at 31 December 2024 HK\$’000	2023 HK\$’000	2022 HK\$’000
Non-current assets	883	1,267	2,941	1,414
Current assets	25,355	26,075	32,993	37,512
Current liabilities	19,712	17,797	16,640	16,153
Non-current liabilities	–	36	1,475	2,414
Total equity	6,526	9,509	17,819	20,359

Financial position as at 30 June 2025 compared to 31 December 2024

We noted from the 2025 Interim Results Announcement that as at 30 June 2025, the Group’s total assets amounted to approximately HK\$26.2 million, representing a decrease of approximately 4.0% or approximately HK\$1.1 million as compared to approximately HK\$27.3 million as at 31 December 2024, which mainly comprised (i) inventories of approximately HK\$21.8 million; and (ii) trade and other receivables, deposits and prepayments of approximately HK\$3.2 million.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group recorded no non-current liabilities as at 30 June 2025. The Group's current liabilities amounted to approximately HK\$19.7 million as at 30 June 2025, representing an increase of approximately 10.5% or approximately HK\$1.9 million as compared to approximately HK\$17.8 million as at 31 December 2024, which mainly comprised (i) trade and other payables and accrued charges of approximately HK\$8.6 million; and (ii) amounts due to directors of approximately HK\$8.5 million. The increase in current liabilities of the Group was mainly attributable to the net effect of (i) the increase in amounts due to directors of approximately HK\$1.8 million from approximately HK\$6.7 million as at 31 December 2024 to approximately HK\$8.5 million as at 30 June 2025; (ii) the increase in trade and other payables and accrued charges of approximately HK\$0.8 million from approximately HK\$7.8 million as at 31 December 2024 to approximately HK\$8.6 million as at 30 June 2025; and (iii) the decrease in lease liabilities of approximately HK\$1.4 million from approximately HK\$2.4 million as at 31 December 2024 to approximately HK\$0.9 million as at 30 June 2025.

As at 30 June 2025, the total equity amounted to approximately HK\$6.5 million, representing a decrease of approximately 31.4% or HK\$3.0 million as compared to approximately HK\$9.5 million as at 31 December 2024, the movement was mainly attributable to the loss for the six months ended 30 June 2025 of approximately HK\$3.0 million.

Financial position as at 31 December 2024 compared to 31 December 2023

We noted from the 2024 Annual Report that as at 31 December 2024, the Group's total assets amounted to approximately HK\$27.3 million, representing a decrease of approximately 23.9% or approximately HK\$8.6 million as compared to approximately HK\$35.9 million as at 31 December 2023, which mainly comprised (i) inventories of approximately HK\$21.9 million; and (ii) trade and other receivables, deposits and prepayments of approximately HK\$3.1 million. The decrease in total assets of the Group was mainly attributable to (i) the decrease in bank balances and cash of approximately HK\$5.4 million or approximately 86.8% from approximately HK\$6.2 million as at 31 December 2023 to approximately HK\$0.8 million as at 31 December 2024. Based on the consolidated statement of cash flows of the Group for the year ended 31 December 2024, the decrease in the cash position of the Group were primarily attributable to (aa) the operating cash outflow before movements in working capital of approximately HK\$4.0 million, being the loss before taxation of approximately HK\$8.3 million added back non-cash items, including depreciation of approximately HK\$2.6 million and impairment loss of approximately HK\$1.4 million; and (bb) net cash used in financing activities of approximately HK\$3.2 million, which was primarily attributable to the repayment of lease liabilities of HK\$5.8 million; (ii) the decrease in right-of-use assets of approximately HK\$1.2 million or approximately 57.2% from approximately HK\$2.1 million as at 31 December 2023 to

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

approximately HK\$0.9 million as at 31 December 2024; and (iii) the decrease in trade and other receivables, deposits and prepayments of approximately HK\$0.9 million or approximately 22.5% from approximately HK\$4.0 million as at 31 December 2023 to approximately HK\$3.1 million as at 31 December 2024.

The Group's total liabilities amounted to approximately HK\$17.8 million as at 31 December 2024, representing a decrease of approximately 1.6% or approximately HK\$0.3 million as compared to approximately HK\$18.1 million as at 31 December 2023, which mainly comprised (i) trade and other payables and accrued charges of approximately HK\$7.8 million; (ii) amounts due to directors of approximately HK\$6.7 million; and (iii) lease liabilities of approximately HK\$2.4 million. The decrease in total liabilities of the Group was mainly attributable to the net effect of (i) the increase in amounts due to directors of approximately HK\$2.6 million or approximately 64.0% from approximately HK\$4.1 million as at 31 December 2023 to approximately HK\$6.7 million as at 31 December 2024; and (ii) the decrease in lease liabilities in respect of current liabilities and non-current liabilities of approximately HK\$3.0 million or approximately 55.6% from approximately HK\$5.4 million as at 31 December 2023 to approximately HK\$2.4 million as at 31 December 2024.

As at 31 December 2024, the total equity amounted to approximately HK\$9.5 million, representing a decrease of approximately 46.6% or HK\$8.3 million as compared to approximately HK\$17.8 million as at 31 December 2023, the movement was mainly attributable to the decrease in reserves which was primarily attributable to the loss for the year ended 31 December 2024 of approximately HK\$8.3 million.

Financial position as at 31 December 2023 compared to 31 December 2022

We noted from the 2023 Annual Report that as at 31 December 2023, the Group's total assets amounted to approximately HK\$35.9 million, representing a decrease of approximately 7.7% or approximately HK\$3.0 million as compared to approximately HK\$38.9 million as at 31 December 2022, which mainly comprised (i) inventories of approximately HK\$22.0 million; (ii) bank balances and cash of approximately HK\$6.2 million; (iii) trade and other receivables, deposits and prepayments of approximately HK\$4.0 million; and (iv) right-of-use assets of approximately HK\$2.1 million. The decrease in total assets of the Group was mainly attributable to the net effect of (i) the decrease in inventories of approximately HK\$9.1 million or approximately 29.3% from approximately HK\$31.2 million as at 31 December 2022 to approximately HK\$22.0 million as at December 2023; (ii) the increase in bank balances and cash of approximately HK\$4.4 million or approximately 256.3% from approximately HK\$1.7 million as at 31 December 2022 to approximately HK\$6.2 million as at 31 December 2023; and (iii) the increase in right-of-use assets

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

of approximately HK\$1.2 million or approximately 159.1% from approximately HK\$0.8 million as at 31 December 2022 to approximately HK\$2.1 million as at 31 December 2023.

The Group's total liabilities amounted to approximately HK\$18.1 million as at 31 December 2023, representing a decrease of approximately 2.4% or approximately HK\$0.5 million as compared to approximately HK\$18.6 million as at 31 December 2022, which mainly comprised (i) trade and other payables and accrued charges of approximately HK\$6.9 million; (ii) lease liabilities of approximately HK\$5.4 million; and (iii) amounts due to directors of approximately HK\$4.1 million. The decrease in total liabilities of the Group was mainly attributable to the net effect of (i) the decrease in trade and other payables and accrued charges of approximately HK\$2.1 million or approximately 23.7% from approximately HK\$9.1 million as at 31 December 2022 to approximately HK\$6.9 million as at 31 December 2023; and (ii) the increase in amount due to directors of approximately HK\$2.9 million or approximately 238.0% from approximately HK\$1.2 million as at 31 December 2022 to approximately HK\$4.1 million as at 31 December 2023.

As at 31 December 2023, the total equity amounted to approximately HK\$17.8 million, representing a decrease of approximately 12.5% or HK\$2.5 million as compared to approximately HK\$20.4 million as at 31 December 2022, the movement was mainly attributable to (i) the increase in the share capital of the Company due to the implementation of the rights issue on the basis of three rights shares for every two existing shares raising a net proceeds of approximately HK\$12.8 million, further details of which were set out in the Company's prospectus dated 19 September 2023; and (ii) the loss for the year ended 31 December 2023 of approximately HK\$15.3 million.

Summary of the Group's consolidated statement of profit or loss

	Six months ended 30 June		Year ended 31 December		
	2025	2024	2024	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue					
– Casual restaurant and bakery					
shop operations	17,008	17,777	35,736	36,357	37,465
Loss before taxation	(2,983)	(2,996)	(8,310)	(15,346)	(20,392)
Loss for the year attributable to					
 owners of the Company	(2,983)	(2,996)	(8,310)	(15,346)	(20,392)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Financial performance of the Group for the six months ended 30 June 2025 (“1H2025”) and 30 June 2024 (“1H2024”)

As set out in the 2025 Interim Results Announcement, the Group recorded revenue generated from casual restaurant and bakery shop operations of approximately HK\$17.0 million for 1H2025, which is broadly stable compared to approximately HK\$17.7 million for 1H2024. The loss for the year attributable to owners of the Company amounted to approximately HK\$3.0 million for 1H2024 compared to approximately HK\$3.0 million for 1H2025, which was primarily attributable to the net effects of (i) the slight fluctuation in the revenue; and (ii) the increase in other gains of approximately HK\$0.8 million, which was mainly attributable to the disposal of fixed assets of the Group, including property, plant and equipment.

Financial performance of the Group for the years ended 31 December 2024 (“FY2024”) and 31 December 2023 (“FY2023”)

As set out in the 2024 Annual Report, the Group recorded revenue generated from casual restaurant and bakery shop operations of approximately HK\$35.7 million for FY2024, which is broadly stable compared to approximately HK\$36.4 million for FY2023 with a decrease of approximately HK\$0.7 million or approximately 1.9%. The loss before taxation and loss for the year attributable to owners of the Company decreased of approximately 45.8% from approximately HK\$15.3 million for FY2023 to approximately HK\$8.3 million for FY2024, which was primarily attributable to the net effects of (i) the absence of write-down of inventories to its net realisable value, the Management advised that the write-down of inventories to its net realisable value for FY2023 was mainly attributable to the continued drop in the market price of premium wine recorded as inventories of the Group for FY2023. The premium wine was primarily purchased by the Group and served in the Group’s premium western restaurant “The Pawn”. “The Pawn” had been operating at Johnston Road, a prime location in Wan Chai, since 2008. Furthermore, as set out in the announcement of the Company dated 16 October 2017, the Company intended to enhance its premium food and fine wine programme so as to achieve turnaround in its results. However, attributable to the adverse impact of the novel coronavirus outbreak, “The Pawn” ceased operations in September 2021 (the “**Closure of the Pawn**”) as set out in the announcement of the Company dated 16 September 2021. Since the Closure of the Pawn, the Company had tried to sell the wine in the market over time but with limited success given the then challenging premium wine market and hence has recorded write-downs to its inventories.; (ii) the decrease in other income which was primarily attributable to the decrease in management fee income from a related company; and (iii) the lowered impairment losses of right-of-use assets primarily related to shorter remaining lease terms, compared to that of FY2023.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Financial performance of the Group for FY2023 and for the year ended 31 December 2022 (“FY2022”)

As set out in the 2023 Annual Report, the Group recorded revenue generated from casual restaurant and bakery shop operations of approximately HK\$36.4 million for FY2023, representing a decrease of approximately HK\$1.1 million or approximately 3.0% compared to approximately HK\$37.5 million for FY2022. The loss before taxation and loss for the year attributable to owners of the Company decreased of approximately 24.7% from approximately HK\$20.4 million for FY2022 to approximately HK\$15.3 million for FY2023, which was primarily attributable to the combined effects of (i) the lowered depreciation changes; (ii) the lowered staff costs; (iii) the lowered write-down of inventories to net realisable values, the Management advised that the write-down of inventories to its net realisable value was mainly attributable to the continued drop in the market price of premium wine recorded as inventories of the Group for FY2022 and FY2023, respectively. The premium wine was primarily purchased by the Group and served in the Group’s premium western restaurant “The Pawn”, which ceased operations in September 2021; and (iv) the lowered impairment loss of right-of-use assets, compared to that of FY2022. The Management advised that the impairment loss of right-of-use assets was mainly attributable to properties leased for the Group’s use for FY2022 and FY2023, respectively.

Material uncertainty related to the Group’s going concern for the year ended 31 December 2022, 2023 and 2024

For information purposes, we noted that the auditor of the Company set out in its report in each of the annual report for the year ended 31 December 2022, 2023 and 2024 its opinion about the existence of a material uncertainty related to the Group’s then going concern in light of the Group’s net loss for the year ended 31 December 2022, 2023 and 2024, respectively. In addition, as of 31 December 2024, the Group had bank balances and cash of approximately HK\$0.8 million but recorded current liabilities of approximately HK\$17.8 million. As of 31 December 2023, the Group had bank balances and cash of approximately HK\$6.2 million but recorded current liabilities of approximately HK\$16.6 million. As of 31 December 2022, the Group had bank balances and cash of approximately HK\$1.7 million but recorded current liabilities of approximately HK\$16.2 million.

The Management advised that although the bank balances and cash was notably lower than the current liabilities balance as at each of 31 December 2022, 2023 and 2024, the settlement of obligations related to the current liabilities were met through a combination of (i) bank balances and cash of the Group; (ii) an increase in amounts due to directors; (iii) funds from the settlement of trade and other receivables, at the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

relevant time; and (iv) to the extent accepted by its creditors, the Group negotiated more favourable settlement terms and/or delayed the settlement of its payables at the material time in part or in whole.

The auditor of the Company indicated that material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern as at 31 December 2022, 2023 and 2024, respectively. Further details of which are set out under sections headed "Material uncertainty related to the Group's going concern for the year ended 31 December 2022", "Material uncertainty related to the Group's going concern for the year ended 31 December 2023" and "Material uncertainty related to the Group's going concern for the year ended 31 December 2024" in Appendix II to the Circular, respectively. In this connection, Shareholders should take note of the material uncertainty related to the Group's going concern as noted by the auditor of the Company when assessing whether to accept the Offer or not. Shareholders should also note that the auditor of the Company would reassess the Group's financial position and the circumstances that led to the material uncertainty related to the Group's going concern during the course of their annual audit for the year ending 31 December 2025. The audit opinion will be issued based on the information available at that time.

(b) Prospects and outlook of the restaurant sector in Hong Kong

As set out in the Letter from the Board, the Company is principally engaged in investment holding and the Group is principally engaged in restaurant operations in Hong Kong.

Set out below are (i) the gross domestic product at current market prices ("GDP") of Hong Kong; (ii) the restaurant receipts; (iii) the number of employed persons; and (iv) the median monthly employment earnings of employed person of Hong Kong, for the period from 2022 to 2024, as well as the first quarter of 2024 ("2024Q1") and the first quarter of 2025 ("2025Q1") as extracted from the Census and Statistics Department of the Government of the Hong Kong Special Administrative Region (the "HKCSD").

Table 1

	2022	2023	2024	2024Q1	2025Q1
GDP (HK\$' million)	2,808,969	2,983,408	3,175,094	766,812	799,709
Restaurant receipts (HK\$' million)	86,833	109,538	109,393	28,208	28,036
Employed persons (No.'000)	3,613.2	3,709.6	3,693.6	3,688.4	3,692.7
Median monthly employment earnings of employed person (HK\$')	19,000	20,000	20,000	20,000	20,100

Source: Census and Statistics Department of Hong Kong

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As shown in the table above, overall GDP increased (i) from approximately HK\$2,809.0 billion in 2022 to approximately HK\$3,175.1 billion in 2024; and (ii) from approximately HK\$766.8 billion for 2024Q1 to approximately HK\$799.7 billion for 2025Q1. Restaurant receipts increased from approximately HK\$86.8 billion in 2022 to approximately HK\$109.4 billion in 2024 and was approximately HK\$28.2 billion for 2024Q1 and approximately HK\$28.0 billion for 2025Q1. The number of employed persons during 2022 to 2024 was broadly stable, ranging from approximately 3.6 million to approximately 3.7 million and maintained at approximately 3.7 million for 2024Q1 and 2025Q2. The median monthly employment earnings of employed person increased slightly from HK\$19,000 in 2022 to HK\$20,000 in 2024, and HK\$20,100 in 2025Q1, compared to HK\$20,000 in 2024Q1.

In addition, we also noted from data published by the HKCSD titled “Views on expected changes in business situation”¹ that for the third quarter of 2025, for establishments in accommodation and food services, 66% is of the view that the expected change in business situation as compared with the second quarter of 2025 is the same, 25% is of the view that it will be worse and 9% is of the view that it will be better.

Furthermore, we noted that majority of the Comparable Companies (defined hereafter) which are considered to be of a similar size and scale in operations of the Group also recorded loss attributable to its owners for latest completed financial year.

In this connection, having considered, (i) the Management’s view that despite the current stable economic environment as set out in the preceding paragraphs, including the data under Table 1, under this sub-section, it remains a challenge for companies with similar size and scale to that of the Group to generate profit; (ii) the material uncertainties related to the Group’s going concern as set out under section headed “Material uncertainty related to the Group’s going concern for the year ended 31 December 2022, 2023 and 2024” in this letter; and (iii) although the Offer provides the Independent Shareholders with an assured exit opportunity to realise their investments in the Shares at the Offer Price, Independent Shareholders should note that the closing price of the Shares as at the Latest Practicable Date was notably higher than the Offer Price and are reminded to consider the principal factors and reasons considered by us and the recommendation under the section headed “RECOMMENDATION” in this letter before deciding on whether to accept the Offer. If the Independent Shareholders decide to remain as a Shareholder, they should be aware on the auditor’s view of the material uncertainties relating to the Group’s going concern.

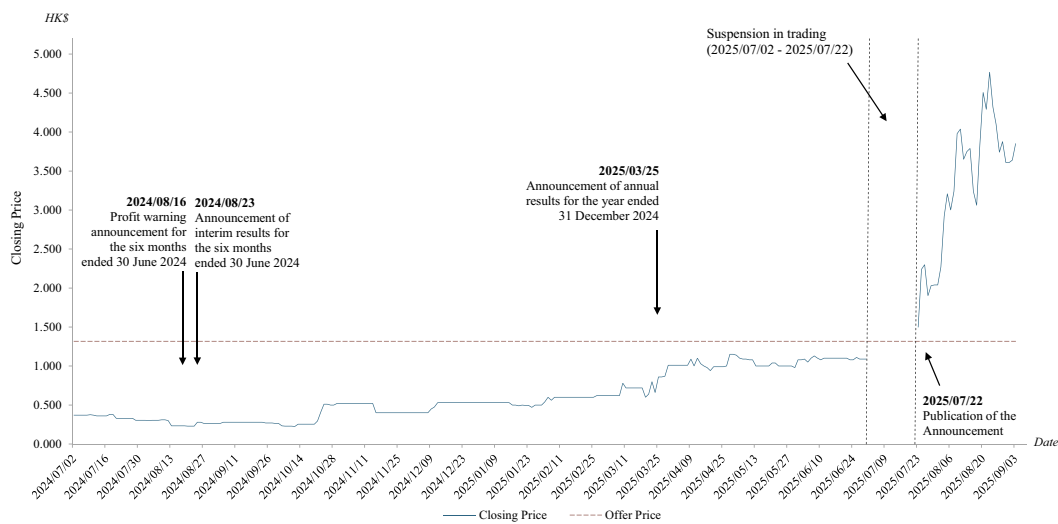
For information regarding the Offeror’s intention in relation to the Group, please refer to the section headed “5. Information on the Offeror and the intention of the Offeror in relation to the Group” in this letter below.

¹ Source: www.censtatd.gov.hk/en/webtable.html?id=330-41001

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. Historical Share price performance

We have reviewed and analysed the closing price of Shares (i) for approximately 12 months immediately prior to the Last Trading Day commencing on 2 July 2024 and up to and including the Last Trading Day (the “**First Review Period**”); and (ii) from the day immediately following the date of the Joint Announcement up to and including the Latest Practicable Date (the “**Second Review Period**” together with the First Review Period, the “**Review Period**”) below:



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

The Offer Price of HK\$1.318 represents (a) a premium of approximately 46.7% over the average closing Share price of approximately HK\$0.899 per Share for the Review Period; (b) a premium of approximately 20.9% over the closing price of HK\$1.090 per Share as quoted on the Stock Exchange on the Last Trading Day; and (c) a discount of approximately 65.8% to the closing price of HK\$3.850 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

First Review Period

During the First Review Period, the closing price of Shares fluctuated between the range from HK\$0.225 (9 October 2024) to HK\$1.150 (29 and 30 April 2025) (the “**First Review Period Price Range**”), with an average of approximately HK\$0.594 per Share. At the commencement of the First Review Period around early July 2024, the closing price of Shares was below HK\$0.400 per Share. Subsequently on 16 August 2024, the Company issued a profit warning announcement its unaudited consolidated interim results for the six months ended 30 June 2024. The closing price of Shares on the trading day immediately after the profit warning announcement of the Company (i.e. 19 August 2024) was HK\$0.234. From 19 August 2024 up to and including the trading day immediately after the publication of the interim results announcement of the Company for the six months ended 30 June 2024 dated 23 August 2024, the closing price per Share was below HK\$0.300.

Since the trading day immediately after the publication of the profit warning announcement for the six months ended 30 June 2024 (i.e. 19 August 2024), the closing price per Share has increased gradually over time, which was against the trend of the Group’s interim financial results for the six months ended 30 June 2024 as the loss for the period was greater than the corresponding prior year period. As confirmed by the Directors, save for the information as set out in the interim results announcement of the Company for the six months ended 30 June 2024 dated 16 August 2024, the Directors were not aware of any matters related to the Group which might have a material effect on the price of Shares at the relevant time.

The closing price of Shares from the trading day immediately after the annual results announcement of the Company for the year ended 31 December 2024 dated 25 March 2025 up to and including the Last Trading Day was between HK\$0.860 and HK\$1.150 per Share.

In general, the closing price of Shares experienced an upward trend during the First Review Period. Nonetheless, it is noted that the Offer Price was higher than the range of closing price of Shares during the First Review Period and represents (i) a premium of approximately 14.6% over the highest closing price of Shares; (ii) a premium of approximately 485.8% over the lowest closing price of Shares; and (iii) a premium of approximately 121.7% over the average daily closing price of Shares’ during the First Review Period.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Second Review Period

During the Second Review Period, the closing price per Share ranged from HK\$1.500 to HK\$4.770 (the “**Second Review Period Price Range**”) with an average closing price per Share of approximately HK\$3.302. The closing price per Share as at the Latest Practicable Date was HK\$3.850. The Offer Price represents (i) a discount of approximately 60.1% to the average daily closing price of Shares during the Second Review Period; and (ii) a discount of approximately 65.8% to the closing price of Shares as at the Latest Practicable Date.

It is noted that the closing price of Shares experienced a notable increase after publication of the Joint Announcement during the Second Review Period, with the highest closing price of HK\$4.770 per Share. As confirmed by the Directors, save for the information as set out in the Joint Announcement, and the 2025 Interim Results Announcement dated 29 August 2025 which set out that the Group recorded a loss attributable to the owners of the Company of approximately HK\$3.0 million the Directors were not aware of any matters related to the Group which might have a material effect on the price of Shares. We consider that such fluctuation in the price of Shares after the release of the Joint Announcement may be attributable to market reactions to the Offer by the Offeror and/or prospects of the Group being controlled by the Offeror. The details of the Offeror and its intention in relation to the Group are set out in the Letter from Silverbricks Securities in the Composite Document and under section headed “5. Information on the Offeror and the intention of the Offeror in relation to the Group” in this letter. The closing price and trading volume of the Shares have notably increased during the Second Review Period and the closing price of the Shares was notably above the Offer Price as at Latest Practicable Date. The price and trading volume of the Shares may or may not continue to increase after the Latest Practicable Date and/or after closing of the Offer where the Offeror continued to be the controlling Shareholder of the Group. However, Shareholders should note that the Group have been loss making for the past three financial years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, and the auditor of the Company has expressed that material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern as at 31 December 2022, 2023 and 2024, respectively.

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3. Liquidity of Shares

The table below sets out the trading volume of Shares during the Review Period:

Month/period	Total trading volume of the Shares	Number of trading days in the month/period	Average daily trading volume per trading day in the month/period	Percentage of average daily trading volume to total number of Shares in issue (Note 1) Approximate %	Percentage of average daily trading volume to total number of Shares held by public Shareholders (Note 2) Approximate %
First Review Period					
2024					
July (from 2 July 2024)	1,208,500	22	54,932	0.10%	0.29%
August	585,500	22	26,614	0.05%	0.14%
September	70,000	19	3,684	0.01%	0.02%
October	895,750	21	42,655	0.08%	0.22%
November	50,000	21	2,381	<0.01%	0.01%
December	1,165,750	20	58,288	0.10%	0.30%
2025					
January	386,250	19	20,329	0.04%	0.11%
February	293,125	20	14,656	0.03%	0.08%
March	971,750	21	46,274	0.08%	0.24%
April	495,750	19	26,092	0.05%	0.14%
May	714,375	20	35,719	0.06%	0.19%
June (up to and including the Last Trading Day)	595,750	21	28,369	0.05%	0.15%
Second Review Period					
2025					
July (from 23 July 2025) (Note 3)	10,535,375	7	1,505,054	2.70%	7.87%
August	13,177,900	21	627,519	1.13%	3.28%
September (up to and including the Latest Practicable Date)	404,750	3	134,917	0.24%	0.71%

Source: www.hkex.com.hk

Notes:

1. Calculated based on the total number of the Shares in issue at the end of month/period.
2. Calculated based on the total number of the Shares held by public shareholders (i.e. excluding the shares held by the Vendors/Offeror and parties acting in concert with it) as at the respective month/period.
3. During the Review Period, the trading in the Shares had been halted on 2 July 2025 and trading was resumed on 23 July 2025.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As set out in the table above, during the First Review Period, the percentage of average daily trading volume of the Shares by month/period were in the range of (a) less than 0.01% to approximately 0.10%, with an average daily trading volume of approximately 0.05% of the total number of issued Shares; and (b) approximately 0.01% to approximately 0.30%, with an average daily trading volume of approximately 0.16% of the total number of Shares held by public Shareholders. The average daily trading volume of Shares during the First Review Period of approximately 30,000 Shares was generally thin and not active. It is also noted that, during the First Review Period, there were a total of 245 trading days, of which 113 days recorded no trading of Shares.

During the Second Review Period, the percentage of average daily trading volume of the Shares by month/period were in the range of (a) approximately 0.24% to approximately 2.70%, with an average daily trading volume of approximately 1.36% of the total number of issued Shares; and (b) approximately 0.71% to approximately 7.87%, with an average daily trading volume of approximately 3.95% as to the total number of Shares held by public Shareholders.

Given the percentage of average daily trading volume to total number of Shares in issue and to total number of Shares held by public Shareholders are not more than 0.10% and 0.30% for most of the month/period during the First Review Period, it is noted that the trading liquidity of the Shares has been generally low in the open market. Considering the thin historical average daily trading volume of Shares during the First Review Period, it is uncertain that the overall liquidity of Shares could be maintained and that there would be sufficient liquidity in Shares for the Independent Shareholders to realise a significant number of Shares over a prolonged period in the open market without exerting downward pressure on the Share price. Independent Shareholders who wish to sell his/her/its Shares should carefully consider whether to sell his/her/its Shares in the open market or accept the Offer, based on the then market price of Shares during the Offer Period. We, therefore, consider that the Offer provides the Independent Shareholders with an assured exit at the Offer Price if they wish to realise their investments in Shares.

Summary

Under the sections headed “2. Historical Share price performance” and “3. Liquidity of Shares”, we noted that (a) the Offer Price is at a premium to the average closing price of Shares and above the First Review Period Price Range; (b) the Offer Price is at a discount to the average closing price of Shares during the Second Review Period and below the closing Share price as at the Latest Practicable Date; (c) the Offer Price is at a premium to the average closing price of Shares during the Review Period; (d) the historical trading liquidity of the Shares has been generally low in the open market during the First Review Period, but both price and liquidity has increased since the publication of the Joint Announcement during the Second Review Period, which may be attributable to market reactions to the Offer and/or prospects of the Group being controlled by the Offeror. Furthermore, the Directors have confirmed that, save for the information as set out in the Joint Announcement and the 2025 Interim Results

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Announcement, the Directors were not aware of any matters related to the Group which might have a material effect on the price of Shares at the material time, such level of liquidity and/or price may or may not continue to increase after the Latest Practicable Date and after closing of the Offer. However, given the closing price of the Shares as at the Latest Practicable Date is significantly higher than the Offer Price together with the above factors, we are of the view that the Offer Price is not fair and reasonable. Nonetheless, we have further conducted an analysis on comparable companies below.

4. Comparable companies analysis

In assessing the fairness and reasonableness of the Offer Price, we have considered analysis on the price-to-book ratios (the “**P/B Ratio**”), the price-to-sale ratios (the “**P/S Ratio**”) and price-to-earnings ratios (the “**P/E Ratio**”) of companies which are listed on the GEM of the Stock Exchange and are engaged in similar businesses to those of the Group for comparison purposes. It is noted that the P/B Ratio, P/S Ratio and P/E Ratio are the commonly used valuation benchmarks in evaluating the valuation of a company. However, we noted that the (i) Group recorded a loss for the year attributable to its owners for FY2024, thus we do not consider the price-to-earnings analysis to be applicable for the Group; and (ii) it may be more typical for P/B Ratio to be used as a valuation benchmark to value asset heavy companies. As the Company is not considered to be an asset heavy company, we also do not consider the price-to-book analysis to be applicable for the Group.

Based on the revenue of the Group of approximately HK\$35.7 million for FY2024, and the total implied value of the Company under the Offer², being approximately HK\$73.5 million, the implied P/S Ratio (the “**Implied P/S Ratio**”) of the Company under the Offer would be approximately 2.06 times. The material uncertainties related to the Group’s going concern, as set out under section headed “Material uncertainty related to the Group’s going concern for the year ended 31 December 2022, 2023 and 2024” in this letter, do not affect the reliability of the revenue of the Group for the year ended 31 December 2024 used to calculate the Implied P/S Ratio. However, Shareholders should be aware of the potential risks associated with the material uncertainties relating to going concern, including that the level of revenue recorded by the Group for the year ended 31 December 2024 may or may not be an indication of the future revenue level of the Group.

² On the basis of the Offer Price of HK\$1.318 per Offer Share and 55,750,000 Shares in issue as at the Latest Practicable Date, the implied value of the Company under the Offer is calculated to be approximately HK\$73.5 million.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 GEM of the Stock Exchange excluding listed companies which were under suspension as at the Last Trading Day and/or Latest Practicable Date; (ii) engages in principal business similar to those of the Group namely, operation of restaurant or food and beverage related business in Hong Kong, which contributed over 50% of its total revenue for the latest completed financial year; (iii) a market capitalisation of not less than HK\$25 million and not more than HK\$100 million as at the Last Trading Day and the Latest Practicable Date, which was determined with reference to the implied market capitalisation of the Company of approximately HK\$73.5 million under the Offer, and with a view to capture sufficient number of companies with similar market capitalisation for our comparison purposes; and (iv) excludes listed companies with a modified opinion issued by subject auditor for its latest completed financial year as the Group's latest published audited consolidated financial statements for the year ended 31 December 2024 did not contain a modified opinion, thus excluding listed companies with a modified opinion would facilitate a like-for-like comparison (the “**Criteria**”). Based on the Criteria, we have identified, to the best of our knowledge, an exhaustive list of six comparable companies (the “**Comparable Companies**”). The table below sets out the market capitalisation, equity attributable to its owners, the P/S Ratio of each of the Comparable Companies and the Implied P/S Ratio of the Company under the Offer for comparison purposes.

For information purposes, when determining the market capitalisation criteria of the Comparable Companies (the “**Market Capitalisation Criteria**”), we have considered, among others, a market capitalisation which is comparable to that of the Company to ensure the Comparable Companies are fit for our comparison purposes. To this end, we noted that the historical market capitalisation of the Company during the First Review Period was approximately HK\$12.5 million to HK\$64.1 million with an average of approximately HK\$33.1 million as well as the implied market capitalisation of the Company of approximately HK\$73.5 million under the Offer. We have considered the above figures during the First Review Period as a basis to determine the Market Capitalisation Criteria as the historical market capitalisation have not been affected by the Offer, therefore reflects the market value (i.e. market capitalisation) of the Company.

We have not used the market capitalisation of the Company during the Second Review Period to determine the Market Capitalisation Criteria as the closing Share price has increased substantially after the Joint Announcement and given that (i) the Group has been loss making for the past three completed financial years ended 31 December 2022, 2023 and 2024 together with the auditor's opinion on material uncertainty of the related to the Group's going concern for the year ended 31 December 2022, 2023 and 2024 as set out under the section headed “Material uncertainty related to the Group's going concern for the year ended 31 December 2022, 2023 and 2024”; and (ii) no new material financial information has been published by the Company since the publication of the 2024 Annual Report on 29 April 2025 which could justify the significant raise in the Share price during the Second Review Period, save for the 2025 Interim Results Announcement dated 29 August 2025 which set out that the Group recorded a loss attributable to

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the owners of the Company of approximately HK\$3.0 million. On this basis, the change in Share price level during the Second Review Period may not be directly reflecting the underlying financial performance of the Group nor the uncertainties around the Group's going concern as expressed by the auditor, to this end, may or may not be sustainable in the long run, therefore we do not consider the market capitalisation of the Company during the Second Review Period to be an appropriate factor to determine the Market Capitalisation Criteria. Based on the above, we have determined the Market Capitalisation Criteria to be in the range of not less than HK\$25 million and not more than HK\$100 million as at the Last Trading Day and the Latest Practicable Date.

Company name (stock code)	Principal business (Revenue contribution from operation of restaurant or food and beverage related business in Hong Kong)	Market capitalisation as at the Latest Practicable Date HK\$' million	Equity attributable to the owners of the company as at latest published financial statements HK\$'	P/S Ratio (Note 1)
Life Concepts Holdings Limited ("Life Concepts") (8056)	Principally engaged in (i) catering operations, including operation of restaurants and trading of food and beverages; (ii) interior design and fitting-out business; (iii) provision of consulting services in relation to organic vegetables research and development, plantation and sales; and (iv) provision of financial institution intermediation services. (approximately 88.1%)	28.2	(67,531,000)	3.82
China Demeter Financial Investments Limited (8120)	Principally engaged in (i) food and beverage business; (ii) money lending business; (iii) financial services business; (iv) securities investment business; (v) alcoholic beverage distribution and miscellaneous business; and (vi) provision of children education services. (approximately 87.9%)	58.3	45,792,000	0.43
Bar Pacific Group Holdings Limited (8432)	Principally engaged in the operation of chain of bars and restaurants in Hong Kong and the PRC under the brands of "Bar Pacific", "Pacific", "Moon Ocean" and "Katachi", as well as property investments in Hong Kong. (approximately 99.1%)	33.9	5,876,000	0.17
MS Concept Limited (8447)	Principally engaged in provision of catering services in Hong Kong (approximately 100%)	42.0	10,901,000	0.17
1957 & Co. (Hospitality) Limited (8495)	Principally engaged in operation of restaurants and provision of catering management and consultancy services. (approximately 100%)	85.6	54,449,000	0.18
XinXiang Era Group Company Limited (8519)	Principally engaged in operation of restaurants in Hong Kong. (approximately 100%)	54.5	650,000	0.22
			Maximum	3.82
			Minimum	0.17
			Average	0.83
The Company				
	Equity attributable to the owners of the Company as at 31 December 2024		9,509,000	
	Implied market capitalisation under the Offer (HK\$' million)		73.5	
	Implied P/S Ratio (times)		2.06	

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Note:

1. For illustration purpose, the market capitalisation, P/S Ratio are calculated based on, where applicable, the closing price of the share of the respective Comparable Companies on the Latest Practicable Date, the total number of issued shares based on the then latest monthly return of the subject listed company published on the website of the Stock Exchange, and their respective revenue for the latest completed financial year as at the Latest Practicable Date.

Analysis on P/S Ratio

We have also conducted analysis on the P/S Ratio under the Offer against that of the Comparable Companies. P/S Ratio is one of the valuation multiples for evaluating the value of a subject company based on the size of its revenue, which is not an uncommon method to assess loss making companies. In this connection, we have also conducted additional analysis on the P/S Ratio with a view to further assess the fairness and reasonableness of the Offer Price.

It is noted from the above table that the P/S Ratio of the Comparable Companies ranged from approximately 0.17 times to 3.82 times, with an average of approximately 0.83 times (“**P/S Ratio Range**”). Based on their respective latest published consolidated financial statements, the revenue recorded by the Comparable Companies for the latest completed financial year ranged from approximately HK\$7.4 million to approximately HK\$470.4 million, compared to approximately HK\$35.7 million of the Group. The Implied P/S Ratio of the Company as represented by the Offer Price of approximately 2.06 times, is higher than all of the P/S Ratio of the Comparable Companies except for the P/S Ratio of Life Concepts, within the P/S Ratio Range and higher than the average P/S Ratio of the Comparable Companies.

Summary

Having considered (a) the Offer Price is at a premium to the average closing price of Shares and above the First Review Period Price Range; (b) the Offer Price is at a notable discount to the average closing price of Shares during the Second Review Period and substantially below the closing Share price of HK\$3.850 as at the Latest Practicable Date; (c) the Offer Price is at a premium to the average closing price of Shares of approximately HK\$0.899 during the Review Period; (d) the historical trading liquidity of the Shares has been generally low in the open market during the First Review Period, but both price and liquidity has increased since the publication of the Joint Announcement during the Second Review Period, which may be attributable to market reactions to the Offer and/or prospects of the Group being controlled by the Offeror after the Offer, such level of liquidity and/or price may or may not be sustainable; and (e) the Implied P/S Ratio is higher than all of the P/S Ratio of the Comparable Companies except for the P/S Ratio of Life Concepts, within the P/S Ratio Range and above the average P/S Ratio of the Comparable Companies, we consider the Offer Price to be not fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

5. Information on the Offeror and the intention of the Offeror in relation to the Group

The following information of the intention of the Offeror regarding the Group has been extracted from the Letter from Silverbricks Securities.

(a) Information of the Offeror

As stated in the Letter from Silverbricks Securities contained in the Composite Document, the Offeror was incorporated in BVI with limited liability. The Offeror is principally engaged in investment holding and the Offeror's group is principally engaged in restaurant operations in Hong Kong. The directors of the Offeror are Mr. Kwok Chun Kwan, Mr. Chan Benson, and Ms. Ho Helen Kayee. The Offeror is directly and beneficially owned as to 53%, 27%, 10%, 7% and 3% by Mr. Kwok Chun Kwan, Mr. Chan Benson, Ms. Ho Helen Kayee, Mr. Wong Kin Man, and Ms. Kwok Li Fa Eva, respectively.

As at the Latest Practicable Date, the Offeror, its ultimate beneficial shareholders and parties acting in concert with any of them are interested in 36,615,125 Shares, representing approximately 65.7% of the total issued share capital of the Company.

Mr. Kwok Chun Kwan, aged 36, has over 15 years of experience in the food and beverage industry in Hong Kong. He currently serves as the chairman and founder, and is also one of the directors, of THAC Group. Since 2025, Mr. Kwok has been serving as the vice chairperson of the board of directors of Yan Oi Tong.

THAC Group founded by Mr. Kwok in 2016, is a diversified catering group in Hong Kong. THAC Group is principally engaged in the operation of more than 30 restaurants across 11 distinctive restaurant brands, including Jasmine Cuisine (茶皇殿), Seasons Café (四季冰室), Pearl Castle (圓香), and T Goose Factory (一本燒鵝), offering a wide variety of innovative dining experiences in Hong Kong. Its customer base covers local families, students, working professionals, and international visitors seeking authentic Hong Kong flavours.

As at the Latest Practicable Date, Mr. Kwok does not hold any directorship in any listed company in Hong Kong and is not a substantial shareholder of any listed company in Hong Kong. Mr. Kwok is the spouse of Ms. Ho Helen Kayee.

Mr. Chan Benson, aged 36, has approximately 8 years of experience in the food and beverage industry in Hong Kong. He is one of the directors of THAC Group. Mr. Chan holds a bachelor's degree from the University of California, Irvine.

As at the Latest Practicable Date, Mr. Chan Benson does not hold any directorship in any listed company in Hong Kong and is not a substantial shareholder of any listed company in Hong Kong.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Ms. Ho Helen Kayee, aged 35, has approximately 8 years of experience in the food and beverage industry in Hong Kong. She is one of the directors of THAC Group.

As at the Latest Practicable Date, Ms. Ho Helen Kayee does not hold any directorship in any listed company in Hong Kong and is not a substantial shareholder of any listed company in Hong Kong. Ms. Ho Helen Kayee is the spouse of Mr. Kwok.

Immediately before the Completion, the Offeror, its ultimate beneficial owners and parties acting in concert with any of them are third parties independent of, and not connected with, either the Company or any of its connected persons.

(b) Intention of the Offeror in relation to the Group

As set out in the Letter from Silverbricks Securities, it is the intention of the Offeror to continue with the Group's existing principal business activities.

Upon Completion, while continuing the principal business of the Group, the Offeror will conduct a review of the existing principal businesses, operations, financial position, investments, proposed investments of the Group for the purpose of formulating long-term business plans and strategies for the future business development of the Group.

Further, subject to the results of the review, the Offeror may explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalization, 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, the Offeror has no intention to introduce major changes to the existing business of the Group and intends to maintain the Company's existing principal activities.

As at the Latest Practicable Date, no material investment or business opportunity has been identified nor has the Offeror, its ultimate beneficial shareholders or any party acting in concert with any of them entered into any agreement, arrangement, understandings or negotiation in relation to the injection of any asset or business into the Group.

The Offeror will, depending on the business operations and development of the Group in the future, constantly review the employee structure of the Group so as to meet the needs of the Group from time to time. As at the Latest Practicable Date, the Offeror has no intention to (i) discontinue the employment of any employees of the Group (who are not Directors of the Company); or (ii) redeploy the fixed assets of the Company other than those in its ordinary and usual course of business. However, the Offeror reserves the right to make such changes that it deems necessary or appropriate to the Group's business and operations to optimise the value of the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(c) Proposed change to the Board composition

As set out in the Letter from Silverbricks Securities, it is intended that all seven Directors will resign with effect from the earliest time permitted under the GEM Listing Rules and Rule 7 of the Takeovers Code (i.e. after the publication of the closing announcement on the closing date of the Offer). The Offeror intends to nominate new Directors to the Board immediately upon the said resignation becoming effective and any such appointment will be made in compliance with the Takeovers Codes and the GEM Listing Rules and further announcement(s) will be made as and when appropriate.

The Offeror proposes to nominate Mr. Kwok Chun Kwan, Mr. Chan Benson and Ms. Ho Helen Kayee as executive Directors.

The proposed term of office and level of remuneration of each of the proposed new Directors shall be determined and announced by the Company in due course. As at the Latest Practicable Date, the Company has not entered into a service contract with any of the proposed new Directors in respect of his/her proposed appointment as a Director.

Save as the 36,615,125 Shares (representing approximately 65.7% of the total issued share capital of the Company) held by the Offeror and disclosed in the Letter from Silverbricks Securities, as at the Latest Practicable Date, each of the proposed new Directors nominated by the Offeror (i) does not hold any other position in the Company or its subsidiaries nor have any relationship with any Director, senior management, substantial shareholders or controlling shareholders of the Company; (ii) has not held any directorship in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or other major appointments and professional qualifications; and (iii) does not have, and is not deemed to have, any interests in any shares, underlying shares or debentures of the Company and/or its associated corporation(s) within the meaning of Part XV of the SFO and under the Takeovers Code.

Save as disclosed above, there is no information that needs to be disclosed pursuant to the requirements under Rules 17.50(2)(h) to (w) of the GEM Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders in relation to the appointment of the proposed new Directors nominated by the Offeror.

For further details, please refer to the Letter from Silverbricks Securities.

(d) Public float and maintaining the listing status of the Company

As stated in the Letter from Silverbricks Securities, the Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer and has no intention to privatise the Company. It intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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

Therefore, it should be noted that upon the close of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares.

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

We recommend the Shareholders, prior to deciding on whether to accept the Offer, dispose its/his/her Shares in the open market or maintain as a Shareholder, to also consider the information summarised under this section, namely, (i) the Group is principally engaged in restaurant operations in Hong Kong; (ii) THAC Group is principally engaged in the operation of more than 30 restaurants across 11 restaurant brands in Hong Kong offering a wide variety of innovative dining experiences in Hong Kong, which may have potential synergies between the Offeror's group (i.e. THAC Group) and the Group going forward depending on the Offeror's future strategy of the Offeror's group (i.e. THAC Group) and the Group respectively; (iii) the Offeror intends to continue with the Group's existing principal business activities; (iv) the Offeror proposes to nominate Mr. Kwok Chun Kwan, Mr. Chan Benson and Ms. Ho Helen Kayee as executive Directors who have over 15 years, 8 years and 8 years of experience, respectively, in the food and beverage industry in Hong Kong based on the Letter from Silverbricks Securities; and (v) the Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer. For those Shareholders who holds the view that the prospects of the Group under the control of the Offeror is favourable, please take note of the principal factors and reasons considered by us as set out in point (a) to (g) and the recommendation under the section headed "RECOMMENDATION" in this letter before deciding on whether to maintain as a Shareholder. For those Shareholders who holds the view that the Group under the control of the Offeror is unfavourable, they should take into account the principal factors and reasons considered by us as set out in point (a) to (g) and the recommendation under the section headed "RECOMMENDATION" in this letter below carefully before deciding on whether to dispose the Shares in the market, in part or in whole, if the net proceeds from the sale of such Shares in the open market would exceed the net proceeds receivable under the Offer, or accept the Offer in part or in whole, if the net proceeds from the sale of such Shares in the open market would be less than the net proceeds receivable under the Offer.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Having considered the abovementioned principal factors and reasons for the Offer, in particular that:

- (a) the Offer Price was higher than the First Review Period Price Range and represents (i) a premium of approximately 14.6% over the highest closing price of Shares; (ii) a premium of approximately 485.8% over the lowest closing price of Shares; and (iii) a premium of approximately 121.7% over the average daily closing price of Shares, during the First Review Period;
- (b) the Offer Price represents (i) a discount of approximately 72.4% to the highest closing price of Shares; (ii) a discount of approximately 12.1% to the lowest closing price of Shares; and (iii) a discount of approximately 60.1% to the average daily closing price of Shares, during the Second Review Period;
- (c) the Offer Price was within the range of the closing price per Shares during the Review Period and represents (i) a discount of approximately 72.4% to the highest closing price of Shares; (ii) a premium of approximately 485.8% over the lowest closing price of Shares; and (iii) a premium of approximately 46.7% over the average daily closing price of Shares, during the Review Period;
- (d) the Offer Price of HK\$1.318 represents (a) a premium of approximately HK\$1.147 (being approximately 672.6%) over the audited consolidated net asset value of the Group of approximately HK\$0.1706 per Share as at 31 December 2024; and (b) a premium of approximately HK\$1.201 (being approximately 1,025.9%) to the unaudited consolidated net asset value of the Group of approximately HK\$0.1706 per Share as at 30 June 2025;
- (e) the Implied P/S Ratio under the Offer of approximately 2.06 times is higher than all of the P/S Ratio of the Comparable Companies except for the P/S Ratio of Life Concepts, within the P/S Ratio Range, being from approximately 0.17 times to approximately 3.82 times; and
- (f) the closing price was increased from HK\$1.090 per Share on the Last Trading Day to HK\$1.50 per Share on the day immediately following the date of the Joint Announcement and reached the highest closing price per Share of HK\$4.77 on 22 August 2025 during the Second Review Period,

we are of the opinion that the Offer is, on balance, not fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

On the other hand, having considered,

- (a) despite the current stable economic environment in Hong Kong as set out in the section headed “(b) Prospects and outlook of the restaurant sector in Hong Kong” in this letter, a majority of the Comparable Companies, which are with similar size and scale to that of the Group, has not generated profit for their latest completed financial year;
- (b) the Group has recorded loss for each of the years ended 31 December 2022, 2023 and 2024, and the material uncertainties related to the Group’s going concern as set out under section headed “Material uncertainty related to the Group’s going concern for the year ended 31 December 2022, 2023 and 2024” in this letter. In addition, the Group recorded a loss attributable to the owners of the Company of approximately HK\$3.0 million for the six months ended 30 June 2025 as set out in the 2025 Interim Results Announcement dated 29 August 2025; and
- (c) the thin historical trading volume of the Shares on the Stock Exchange during the First Review Period as discussed under the section headed “3. Liquidity of Shares” in this letter, and that the Independent Shareholders may experience difficulties in disposing significant number of their Shares in the open market without creating downward pressure on the price of Shares and that there is no assurance on whether the Shares price and liquidity can maintain at the prevailing level beyond the Latest Practicable Date and/or the Offer Period,

the Independent Shareholders are recommended to sell their Shares in the open market instead of accepting the Offer, if the net proceeds from the sale of such Shares in the open market would exceed the net proceeds receivable under the Offer. Taking into account the factors above, we recommend the Independent Board Committee to recommend, and we recommend, the Independent Shareholders not to accept the Offer.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Shareholders should note that the closing price of Shares experienced a general upward trend during the First Review Period and was significantly increased to HK\$1.50 per Share on the day immediately following the date of the Joint Announcement and reached the highest closing price per Share of HK\$4.77 on 22 August 2025 during the Second Review Period. In view of the recent volatility of the closing share price during the Second Review Period, Independent Shareholders who wish to take the opportunity of the market price of the Shares to realise their investment in the Shares in the open market are reminded to closely monitor the market price and the trading liquidity of Shares during the Offer Period.

For Independent Shareholders who decide to remain as a Shareholder, they should be aware there are material uncertainties relating to going concern of the Group as expressed by the auditor of the Group.

As each individual Independent Shareholder would have different investment objectives and/or circumstances, we recommend any Independent Shareholders who may require advice in relation to any aspect of the Offer and/or 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. Furthermore, for Independent Shareholders wishes to accept the Offer, they should carefully read the procedures for accepting the Offer as set out in the Composite Document, its appendices and the accompanying Forms of Acceptance.

Yours faithfully,
For and on behalf of
Red Sun Capital Limited
Lewis Lai
Managing Director

Mr. Lewis Lai is a licensed person registered with the SFC and a responsible officer of Red Sun Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 18 years of experience in the corporate finance industry.

1. PROCEDURES FOR ACCEPTANCE OF THE OFFER

To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the Offer.

- (a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Offer, you must send the Form of Acceptance duly completed and signed together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, by post or by hand, marked "Classified Group (Holdings) Limited – Offer" on the envelope, in any event not later than 4:00 p.m., on the Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer whether in full or in part of your Shares, you must either:
 - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver in an envelope marked "Classified Group (Holdings) Limited – Offer" the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or
 - (ii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or

- (iii) if your Shares have been lodged with your investor participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (c) If the share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost and you wish to accept the Offer in respect of your Shares, the Form of Acceptance should nevertheless be duly completed and signed and delivered in an envelope marked "Classified Group (Holdings) Limited – Offer" to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter. If you have lost your share certificate(s), you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.
- (d) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it in an envelope marked "Classified Group (Holdings) Limited – Offer" to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable instruction and authority to Silverbricks Securities and/or the Offeror and/or any of their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such certificate(s) to the Registrar and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Registrar with the Form of Acceptance.

- (e) Acceptance of the Offer will be treated as valid only if the duly completed and signed Form of Acceptance is received by the Registrar by no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code and the Registrar has recorded that the Form of Acceptance and any relevant documents required have been so received, and is:
- (i) accompanied by the relevant share certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if those share certificate(s) and/or other document(s) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in your favour executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or
 - (ii) from a registered Shareholder or his/her/its personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under the other subparagraph of this paragraph (e)); or
 - (iii) certified by the Registrar or the Stock Exchange.

If the Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (such as grant of probate or certified copy of power of attorney) to the satisfaction of the Registrar must be produced.

- (f) In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by relevant Independent Shareholders at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the cash amount payable by the Offeror to the relevant Independent Shareholder accepting the Offer (where the amount of stamp duty is a fraction of a dollar, the stamp duty will be rounded up to the nearest dollar). The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of relevant Independent Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Shares.
- (g) No acknowledgement of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.
- (h) The address of the Registrar is Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong.

2. SETTLEMENT

- (a) Provided that valid Form of Acceptance and the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title and/or transfer receipt(s) (and/or any satisfactory indemnity or indemnities required in respect thereof) have been received by the Registrar no later than the latest time for acceptance, a cheque for the amount due to each accepting Shareholder, less the seller's ad valorem stamp duty payable by him/her/it (if any), will be despatched to such Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event no later than seven (7) Business Days following the date on which all the relevant documents are received by the Registrar to render such acceptance complete and valid.
- (b) Settlement of the consideration to which any Shareholders are entitled under the Offer will be implemented in full in accordance with the terms of the Offer (save with respect of the payment of seller's ad valorem stamp duty (if any)), without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Shareholders.

3. ACCEPTANCE PERIOD AND REVISIONS

- (a) In order to be valid for the Offer, the Form of Acceptance must be received by the Registrar in accordance with the instructions printed thereon by 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in compliance with the Takeovers Code, or unless the Offer is extended or revised with the consent of the Executive.
- (b) The Offeror and the Company will jointly publish an announcement on the Stock Exchange's website no later than 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer has been extended, revised or have expired.
- (c) If the Offer is extended or revised, the announcement of such extension or revision will state the next closing date or that the Offer will remain open until further notice. In the latter case, at least fourteen (14) days' notice in writing will be given before the Offer is closed to the Independent Shareholders who have not accepted the relevant Offer.
- (d) If, in the course of the Offer, the Offeror revises the terms of the Offer, all Independent Shareholders, whether or not they have already accepted the relevant Offer, will be entitled to accept the revised Offer under the revised terms. The revised Offer will be kept open for at least fourteen (14) days after the date of the revised offer document.

- (e) If the Closing Date is extended, any reference in this Composite Document and in the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the closing date of the Offer as so extended.

4. NOMINEE REGISTRATION

To ensure equality of treatment of all Independent Shareholders, those Independent Shareholders who hold Shares as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

5. ANNOUNCEMENTS

- (a) By 6:00 p.m. on 29 September 2025 (or such later time and/or date as the Executive may in exceptional circumstances permit) which is the Closing Date, the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the expiry, revision or extension of the Offer. The Offeror must post an announcement on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer has been revised or extended.

The announcement must state the total number of Shares and rights over Shares:

- (i) for which acceptances of the Offer has been received;
- (ii) held, controlled or directed by the Offeror and parties acting in concert with it before the Offer Period; and
- (iii) acquired or agreed to be acquired during the Offer Period by the Offeror and parties acting in concert with it.

The announcement must also include details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror and parties acting in concert with it has borrowed or lent (save for any borrowed Shares which have been either on-lent or sold) and specify the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers.

- (b) In computing the total number of Shares represented by acceptances, only valid acceptances that are complete, in good order and fulfill the acceptance conditions set out in paragraph 1(e) of this Appendix, and which have been received by the Registrar by no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offer, shall be included.

- (c) As required under the Takeovers Code, all announcements in respect of the Offer must be made in accordance with the requirements of the Takeovers Code and the Listing Rules.

6. RIGHT OF WITHDRAWAL

- (a) Acceptance of the Offer tendered by any Independent Shareholder shall be irrevocable and cannot be withdrawn, except in the circumstances set out below.
- (b) If the Offeror is unable to comply with the requirements set out in the paragraph headed “Announcements” above, as set out in Rule 19.2 of the Takeovers Code, the Executive may require that the Independent Shareholders who have tendered acceptances to the Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that rule are met.
- (c) In such case, if the Independent Shareholders withdraw their acceptances, the Offeror and Registrar shall, as soon as possible but in any event no later than seven (7) days thereof, return by ordinary post the share certificate(s), and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Shares lodged with the Form of Acceptance to the relevant Independent Shareholders.

7. OVERSEAS INDEPENDENT SHAREHOLDERS

The making of the Offer to the Overseas Independent Shareholders may be prohibited or affected by the laws of the relevant jurisdictions in which they are resident. The Overseas Independent Shareholders should obtain appropriate legal advice regarding the implications of the Offer in the relevant jurisdictions or keep themselves informed about and observe any applicable legal or regulatory requirements. It is the responsibility of the Overseas Independent Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of all relevant jurisdictions in connection with the acceptance of the Offer (including but not limited to the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required and the compliance with all other necessary formalities, regulatory and/or legal requirements and the payment of any transfer or other taxes due by the accepting Overseas Independent Shareholders).

Acceptance of the Offer by any Overseas Independent Shareholders will be deemed to constitute a warranty by such person that such person is permitted under applicable laws and regulations to receive and accept the Offer, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. Any such person is recommended to seek professional advice on deciding whether or not to accept the Offer.

8. GENERAL

- (a) All communications, notices, Form of Acceptance, share certificates, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents by post at their own risk, and the Offeror and parties acting in concert with it, the Company, Silverbricks Securities, VBG Capital, the Independent Financial Adviser, the Registrar, the company secretary of the Company, any of their respective ultimate beneficial owners, directors, officers, agents, professional advisers and other parties involved in the Offer do not accept any liability for any loss or delay in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Form of Acceptance form part of the terms of the Offer.
- (c) The accidental omission to despatch this Composite Document and/or Form of Acceptance or any of them to any person to whom the Offer is made will not invalidate the Offer in any way.
- (d) The Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.
- (e) Due execution of the Form of Acceptance will constitute an irrevocable authority to the Offeror, Silverbricks Securities or such person or persons as the Offeror may direct to complete, amend and execute any document on behalf of the person or persons accepting the Offer and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as it may direct, the Shares in respect of which such person or persons has/have accepted the Offer.
- (f) Acceptance of the Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror and the Company that the Shares under the Offer is free from all third party rights and Encumbrances whatsoever and together with all rights accruing or attaching thereto including the rights to receive in full all dividends and distributions recommended, declared, made or paid on or after the date on which the Offer is made.
- (g) References to the Offer in this Composite Document and the Form of Acceptance shall include any revision and/or extension thereof.

- (h) The making of the Offer to the Overseas Independent Shareholders may be prohibited or affected by the laws of the relevant jurisdictions. The Overseas Independent Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of each Overseas Independent Shareholder who wishes to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws and regulations of all relevant jurisdictions in connection therewith, including, but not limited to the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required and the compliance with all necessary formalities, regulatory and/or legal requirements. Such Overseas Independent Shareholders shall be fully responsible for the payment of any transfer or other taxes and duties due by such Overseas Independent Shareholders in respect of the relevant jurisdictions. The Overseas Independent Shareholders are recommended to seek professional advice on deciding whether or not to accept the Offer.
- (i) Acceptances of the Offer by any persons will be deemed to constitute a warranty by such persons that such persons are permitted under all applicable laws and regulations to receive and accept the Offer, and any revision thereof, and such acceptances shall be valid and binding in accordance with all applicable laws and regulations. Any such persons will be responsible for any such issue, transfer and other applicable taxes or other governmental payments payable by such persons.
- (j) Subject to the Takeovers Code, the Offeror reserves the right to notify any matter (including the making of the Offer) to all or any Independent Shareholders and with registered address(es) outside Hong Kong or whom the Offeror or Silverbricks Securities, knows to be nominees, trustees or custodians for such persons by announcement in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any such Independent Shareholders to receive or see such notice, and all references in this Composite Document to notice in writing shall be construed accordingly.
- (k) In making their decision, the Independent Shareholders must rely on their own examination of the Offeror, the Group and the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein, together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of the Offeror and parties acting in concert with it, the Company or its ultimate beneficial owners, directors, officers, agents, professional advisers or any other persons involved in the Offer. The Independent Shareholders should consult their own professional advisers for professional advices.
- (l) The English texts of this Composite Document and the Form of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation in case of inconsistency.

APPENDIX II**FINANCIAL INFORMATION OF THE GROUP****1. SUMMARY OF THE FINANCIAL INFORMATION OF THE GROUP**

Set out below is a summary of (i) the audited financial information of the Group for each of the three financial years ended 31 December 2022, 2023 and 2024, and the unaudited financial information of the Group for the six months ended 30 June 2025 as extracted from the relevant annual reports and the interim results of Company:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the six months ended 30 June 2025 HK\$'000	2024 HK\$'000	For the year ended 31 December 2023 HK\$'000	2022 HK\$'000
Revenue	17,008	35,736	36,357	37,465
Other income	79	656	1,961	6,095
Other gains and losses, net	767	(129)	(1)	764
Raw materials and consumables used	(4,455)	(8,915)	(9,240)	(10,247)
Staff costs	(9,229)	(18,686)	(18,358)	(21,616)
Depreciation	(1,198)	(2,618)	(2,033)	(4,518)
Property rentals and related expenses	(1,486)	(2,846)	(2,992)	(2,940)
Utility expenses	(716)	(1,606)	(1,815)	(1,735)
Advertising and promotion expenses	(629)	(1,652)	(1,808)	(2,080)
Other expenses	(3,052)	(6,670)	(6,702)	(7,109)
Finance costs	(72)	(314)	(285)	(456)
Write-down of inventories to net realisable values	–	–	(8,156)	(9,480)
Impairment loss of property, plant and equipment	–	–	(274)	(390)
Impairment loss of right-of-use assets	–	(1,266)	(2,000)	(4,145)
Loss before taxation	(2,983)	(8,310)	(15,346)	(20,392)
Income tax charge	–	–	–	–
Loss for the year	<u>(2,983)</u>	<u>(8,310)</u>	<u>(15,346)</u>	<u>(20,392)</u>
Loss per share attributable to owners of the Company:				
– Basic (HK cents)	<u>(5.35)</u>	<u>(14.91)</u>	<u>(49.05)</u>	<u>(79.08)</u>
– Diluted (HK cents)	<u>(5.35)</u>	<u>(14.91)</u>	<u>(49.05)</u>	<u>(79.08)</u>

No dividend was paid or proposed by the Company during each of the three years ended 31 December 2022, 2023 and 2024 and 30 June 2025.

Save as disclosed above, there were no items of any income or expenses which was material in respect of the condensed consolidated financial results of the Group for each of the financial years ended 31 December 2022, 2023 and 2024 and for the six months ended 30 June 2025.

Material uncertainty related to the Group’s going concern for the year ended 31 December 2022

For the year ended 31 December 2022, it was contained in BDO Limited’s report an opinion about the existence of a material uncertainty related to the Group’s going concern in light of (i) the Group’s net loss of approximately HK\$20,392,000 for the year ended 31 December 2022, and (ii) the Group’s net current liabilities of approximately HK\$16,153,000 as at 31 December 2022, which is extracted from the Annual Report 2022 and reproduced as follows:

“OPINION

We have audited the consolidated financial statements of Classified Group (Holdings) Limited (the “**Company**”) and its subsidiaries (collectively referred to as “**the Group**”) set out on pages 49 to 115, which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the HKICPA’s “Code of Ethics for Professional Accountants” (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 3(b) in the consolidated financial statements, which indicates that the Group incurred a net loss of approximately HK\$20,392,000. As of that date, the Group was in a cash position, comprising bank balances and cash, of approximately HK\$1,736,000 only in light of having total current liabilities of HK\$16,153,000. As stated in note 3(b), these conditions, along with other matters as set forth in note 3(b) to the consolidated financial statements indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

Material uncertainty related to the Group's going concern for the year ended 31 December 2023

For the year ended 31 December 2023, it was contained in BDO Limited's report an opinion about the existence of a material uncertainty related to the Group's going concern in light of (i) the Group's net loss of approximately HK\$15,346,000 for the year ended 31 December 2023, and (ii) the Group's net current liabilities of approximately HK\$16,640,000 as at 31 December 2023, which is extracted from the Annual Report 2023 and reproduced as follows:

"OPINION

We have audited the consolidated financial statements of Classified Group (Holdings) Limited (the "**Company**") and its subsidiaries (collectively referred to as "**the Group**") set out on pages 51 to 105, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the

HKICPA's "Code of Ethics for Professional Accountants" (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 3(b) in the consolidated financial statements, which indicates that the Group incurred a net loss of approximately HK\$15,346,000. As of 31 December 2023, the Group was in cash position, comprising bank balances and cash, of approximately HK\$6,185,000 only in light of having a total current liabilities of HK\$16,640,000. As stated in note 3(b), these conditions, along with other matters as set forth in note 3(b) indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

Material uncertainty related to the Group's going concern for the year ended 31 December 2024

For the year ended 31 December 2024, it was contained in BDO Limited's report an opinion about the existence of a material uncertainty related to the Group's going concern in light of (i) the Group's net loss of approximately HK\$8,310,000 for the year ended 31 December 2024, and (ii) the Group's net current liabilities of approximately HK\$17,797,000 as at 31 December 2024, which is extracted from the Annual Report 2024 and reproduced as follows:

"OPINION

We have audited the consolidated financial statements of Classified Group (Holdings) Limited (the "**Company**") and its subsidiaries (collectively referred to as "**the Group**") set out on pages 48 to 99, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the HKICPA’s “Code of Ethics for Professional Accountants” (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 3(b) in the consolidated financial statements, which indicates that the Group incurred a net loss of approximately HK\$8,310,000. As of 31 December 2024, the Group was in cash position, comprising bank balances and cash, of approximately HK\$815,000 only in light of having a total current liabilities of HK\$17,797,000. As stated in note 3(b), these conditions, along with other matters as set forth in note 3(b) indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.”

Save as disclosed herein, the Group had no exceptional items in terms of size, nature or incidence recorded in the financial statements of the Group for the three financial years ended 31 December 2022, 31 December 2023, and 31 December 2024 and for the six months ended 30 June 2025.

There was no change in the Group’s accounting policy during each of the years ended 31 December 2022, 2023 and 2024 and for the six months ended 30 June 2025 which would result in the figures in its consolidated financial statements being not comparable to a material extent.

2. CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The Company is required to set out or refer to in this Composite Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in the consolidated financial statements of the Group for the years ended 31 December 2022 (the “**2022 Financial Statements**”), 31 December 2023 (the “**2023 Financial Statements**”), 31 December 2024 (the “**2024 Financial Statements**”) and for the six months ended 30 June 2025 (the “**2025 Interim Statements**”), together with the 2022 Financial Statements, the 2023 Financial Statements, 2024 Financial Statements and 2025 Interim Statements, collectively as the “**Financial Statements**”), together with the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The Financial Statements are set out in the following documents which have been published on the websites of the Company (<https://www.classifiedgroup.com.hk/>) and the Stock Exchange (<https://www.hkexnews.hk>), and can be accessed by the links below:

- The 2022 Financial Statements are set out from pages 44 to 116 in the annual report of the Company for the year ended 31 December 2022 (the “**Annual Report 2022**”), which was published on 31 March 2023:

<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0331/2023033103295.pdf>

- The 2023 Financial Statements are set out from pages 46 to 106 in the annual report of the Company for the year ended 31 December 2023 (the “**Annual Report 2023**”), which was published on 29 April 2024:

<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0429/2024042903865.pdf>

- The 2024 Financial Statements are set out from pages 43 to 100 in the annual report of the Company for the year ended 31 December 2024 (the “**Annual Report 2024**”), which was published on 29 April 2025:

<https://www1.hkexnews.hk/listedco/listconews/gem/2025/0429/2025042902818.pdf>

- The 2025 Interim Statements are set out from pages 5 to 21 in the interim result announcement of the Company for the six months ended 30 June 2025 (the “**Interim Result 2025**”), which was published on 29 August 2025:

<https://www1.hkexnews.hk/listedco/listconews/gem/2025/0829/2025082903032.pdf>

The Financial Statements (but not any other part of the aforementioned documents in which they respectively appear) are incorporated by reference into this Composite Document and form part of this Composite Document.

3. INDEBTEDNESS STATEMENT

As at the close of business on 31 July 2025, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Composite Document, the Group had outstanding indebtedness of approximately HK\$9.31 million as follows:

Amounts due to Mr. Wong and Mr. Pong

As at 31 July 2025, Rich City (HK) Limited, a subsidiary of the Company, had amounts due to Mr. Wong and Mr. Pong of HK\$6.52 million and HK\$1.99 million respectively. The balance is unsecured, unguaranteed and interest-free.

Lease liabilities

As at 31 July 2025, the Group had unsecured and unguaranteed lease liabilities of approximately HK\$0.8 million.

Save as aforesaid, and apart from intra-group liabilities and normal trade payables in the ordinary course of business, the Group did not have any other debt securities issued and outstanding, or authorised or otherwise created but unissued, loans or any term loans (secured, unsecured, guaranteed or otherwise), any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and any liabilities under acceptances (other than normal trade bills), acceptance credits or hire purchase commitments (guaranteed, unguaranteed, secured or otherwise), mortgages, charges, other material contingent liabilities or guarantees, as at 31 July 2025.

4. MATERIAL CHANGE

The Directors confirm that, save as and except for the following, there has been no material change in the financial or trading position or outlook of the Group since 31 December 2024, being the date to which the latest audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

As disclosed in the announcement of the Company dated 27 August 2025 for the major transaction in relation to a tenancy agreement with Sun Kwok Bun Development Company Limited, being the landlord and an independent third party to the Company, for the lease of premises location in the New Territories for a fixed term of six years commencing on 16 August 2025 and ending on 15 August 2031 (both days inclusive) for the operation of a new restaurant of the Group. The monthly rent payable shall consist of either the base rent or the turnover rent. The aggregate amount of the base rent covering the entire lease term under the tenancy agreement is approximately HK\$18.1 million for a fixed term of 6 years. If the monthly turnover is HK\$3.6 million or above, the tenant must pay 8% of the monthly turnover as rent and the higher amount between the base rent and the turnover rent will apply. The base rent shall be payable monthly in advance and the turnover rent (if any) shall be payable monthly in arrears.

1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than that relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. SHARE CAPITAL

As at the Latest Practicable Date:

	Shares	Amount
Authorised share capital:		
Ordinary shares of HK\$0.2 each	<u>200,000,000</u>	<u>40,000,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.2 each	<u>55,750,000</u>	<u>11,150,000</u>

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

No Shares have been issued by the Company since 31 December 2024 (being the date on which its latest published audited accounts were prepared) and up to and including the Latest Practicable Date.

As at the Latest Practicable Date, the Company had no outstanding warrants, derivatives, options or other securities which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares and the Company had not entered into any agreement to issue any Shares or warrants, derivatives, options or other securities which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

3. DISCLOSURE OF INTERESTS

(a) Directors and chief executives' interests in securities

As at the Latest Practicable Date, none of the Directors had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange.

(b) Substantial shareholders

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

Name of shareholder	Capacity	Shares (long position)	Shareholding percentage (%)
The Offeror <i>(Note 1)</i>	Beneficial owner	36,615,125	65.7
Mr. Kwok Chun Kwan <i>(Note 1)</i>	Interest of a controlled corporation	36,615,125	65.7
Ms. Ho Helen Kayee <i>(Note 2)</i>	Interest of spouse	36,615,125	65.7
VMS Investment Group Limited <i>(Note 3)</i>	Beneficial owner	3,400,000	6.1
Mak Siu Hang, Viola <i>(Note 3)</i>	Interest of a controlled corporation	3,400,000	6.1

Notes:

- (1) The Offeror is an investment holding company incorporated in the British Virgin Islands, which is owned as to 53%, 27%, 10%, 7% and 3% by Mr. Kwok Chun Kwan, Mr. Chan Benson, Ms. Ho Helen Kayee, Mr. Wong Kin Man, and Ms. Kwok Li Fa Eva, respectively. Mr. Kwok Chun Kwan is deemed to be interested in all the Shares held by the Offeror by virtue of the SFO.
- (2) Ms. Ho Helen Kayee is the spouse of Mr. Kwok Chun Kwan and is deemed to be interested in all the Shares in which Mr. Kwok Chun Kwan is interested by virtue of the SFO.

- (3) VMS Investment Group Limited is wholly owned by Ms. Mak Siu Hang, Viola. Ms. Mak Siu Hang, Viola is deemed to be interested in all the Shares held by VMS Investment Group Limited by virtue of the SFO.

Saved as disclosed above, the Directors and the chief executive of the Company are not aware of any person who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to section 336 of the SFO or required to be disclosed under the Takeovers Code.

(c) Interests in the Offeror

As at the Latest Practicable Date, none of the Company nor any of its Directors had any interest in the shares of the Offeror or convertible securities, warrants, options or derivatives in respect of the shares of the Offeror.

(d) Additional disclosure of interests in the Company and arrangements in connection with the Offer

As at the Latest Practicable Date, save as disclosed in paragraph 3 above:

- (1) save for the Sale and Purchase Agreement, none of the Directors have dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares during the Relevant Period;
- (2) save for the Sale and Purchase Agreement, none of the Directors and the Company have dealt for value in any shares of the Offeror or any convertible securities, warrants, options or derivatives in respect of the shares of the Offeror during the Relevant Period;
- (3) the Directors did not have any interest in the Shares, derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into the Shares;
- (4) the Directors did not have any beneficial shareholdings in the Company which would entitle them to accept or reject the Offer;
- (5) none of the subsidiary of the Company, pension fund of the Company or any of its subsidiaries or the person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert or who is an associate of the Company by virtue of class (2) of the definition of associate under the Takeovers Code but excluding exempt principal traders and exempt fund managers, owned or controlled any Shares or any other convertible

securities, warrants, options or derivatives in respect of the Shares and none of them had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company during the Relevant Period;

- (6) save for the Sale and Purchase Agreement, the Offer Facility Agreement and the share charge of the Charged Shares, there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code between any person and the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate under the Takeovers Code and no such person had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company during the Relevant Period;
- (7) no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company were managed on a discretionary basis by fund managers connected with the Company (other than exempt fund managers) and no such person had dealt for value in any relevant securities in the Company during the Relevant Period;
- (8) none of the Company or any Directors had borrowed or lent any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares; and
- (9) there was no understanding, arrangement, agreement or special deal between any Shareholder on one hand and the Company, its subsidiaries or associate companies on the other hand.

4. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was pending or threatened against any members of the Group.

5. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by any members of the Group) had been entered into by members of the Group after the date which is two years before the commencement of the Offer Period up to and including the Latest Practicable Date, and which are or may be material:

- (i) the underwriting agreement entered into between the Company and Mr. Wong and Mr. Pong on 6 July 2023 in relation to underwrite up to 25,249,500 Shares; and

- (ii) the supplemental underwriting agreement entered into between the Company and Mr. Wong and Mr. Pong on 25 July 2023 in relation to underwrite up to 25,249,500 Shares.

6. QUALIFICATION OF EXPERT

The following are the qualifications of the expert who has been named in this Composite Document or who has given its opinion or advice, which is contained in this Composite Document:

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

7. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any service contracts with the Company or any of its subsidiaries or associated companies in force which (a) (including both continuous and fixed term contracts) had been entered into or amended within 6 months before the Offer Period; (b) were continuous contracts with a notice period of 12 months or more; or (c) were fixed term contracts with more than 12 months to run irrespective of the notice period.

8. CONSENT

The expert named in the paragraph headed “6. Qualification of Expert” above has given and has not withdrawn its written consent to the issue of the Composite Document with the inclusion therein of the opinions, reports, advice, recommendations and/or letters and/or the references to its name and/or opinions, reports, advice, recommendations, and/or letters in the form and context in which they respectively appear.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be available for inspection on the website of the Company at www.classifiedgroup.com.hk, the website of the Stock Exchange at <http://www.hkexnews.hk>, and the website of the SFC at www.sfc.hk from the date of this Composite Document up to and including the Closing Date:

- (1) the amended and restated memorandum of association of the Company;
- (2) the second amended and restated memorandum of association of the Company;
- (3) the annual reports of the Company for the three years ended 31 December 2022, 2023 and 2024;

- (4) the “Letter from Silverbricks Securities”, the text of which is set out on pages 10 to 21 of this Composite Document;
- (5) the “Letter from the Board”, the text of which is set out on pages 22 to 29 of this Composite Document;
- (6) the “Letter from the Independent Board Committee”, the text of which is set out on pages 30 to 31 of this Composite Document;
- (7) the “Letter from the Independent Financial Adviser”, the text of which is set out on pages 32 to 60 of this Composite Document;
- (8) the written consent from Red Sun Capital Limited referred to in the section headed “8. Consent” in this appendix;
- (9) the material contracts referred to in the paragraph headed “5. Material contracts” of this appendix; and
- (10) this Composite Document.

10. MISCELLANEOUS

- (1) As at the Latest Practicable Date, none of the Directors had been or would be given any benefit as compensation for loss of office or otherwise in connection with the Offer;
- (2) As at the Latest Practicable Date, there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer; and
- (3) As at the Latest Practicable Date, there was no material contracts entered into by the Offeror in which any Director has a material personal interest.
- (4) Please see the section headed “2. Market Price” in the “General Information of the Offeror” set out in Appendix IV to this Composite Document for the closing price of the Shares quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date.

1. RESPONSIBILITY STATEMENT

The directors of the Offeror, being Mr. Kwok Chun Kwan, Mr. Chan Benson, and Ms. Ho Helen Kayee, jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than information relating to the Group or the Directors), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this Composite Document (other than opinions expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. MARKET PRICES

The table below shows the closing price of the Shares quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date.

Date	Closing price per Share (HK\$)
28 January 2025	0.50
28 February 2025	0.62
31 March 2025	1.01
30 April 2025	1.15
30 May 2025	1.08
30 June 2025 (<i>being the Last Trading Day</i>)	1.09
31 July 2025	2.04
29 August 2025	3.61
3 September 2025 (<i>being the Latest Practicable Date</i>)	3.85

Source: <https://www.hkex.com.hk/Market-Data/Securities-Prices/Equities/Equities-Quote?sym=8232&sclang=en>

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$4.77 per Share on 22 August 2025, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.47 on 24 January 2025.

3. INTERESTS IN THE COMPANY AND THE OFFEROR AND ARRANGEMENTS IN CONNECTION WITH THE OFFER

As at the Latest Practicable Date:

- (a) save for the 36,615,125 Shares held by the Offeror, none of the members of the Offeror and parties acting in concert with it owned or had control or direction over or have any interest in any voting rights or rights over the Shares or convertible securities, warrants, options of the Company or any derivatives in respect of such securities;
- (b) save for the Sale and Purchase Agreement, the Offer Facility Agreement and the share charge of the Charged Shares, there was no arrangement of the kind referred to in the Note 8 to Rule 22 of the Takeovers Code which existed between the Offeror, the Offeror's associates (as defined under the Takeovers Code) or any person acting in concert with the Offeror and any other person;
- (c) there were no agreements or arrangements to which any of the members of the Offeror and parties acting in concert with it is a party which relates to circumstances in which the Offeror may or may not seek to invoke a condition to the Offer;
- (d) none of the members of the Offeror and parties acting in concert with it had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code including shares, warrants, options, derivatives or convertible securities) in the Company;
- (e) none of the members of the Offeror and parties acting in concert with it had received any irrevocable commitment to accept or reject the Offer;
- (f) save for the Consideration paid by the Offeror to the vendors under the Sale and Purchase Agreement, there was no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror and parties acting in concert with it to the vendors under the Sale and Purchase Agreement, its ultimate beneficial owners or any party acting in concert with any one of them in connection with the Sale and Purchase Agreement;
- (g) save for the Sale and Purchase Agreement, there was no agreement, arrangement or understanding (including any compensation arrangement) existing between the Offeror and parties acting in concert with it and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependent upon the Offer;

- (h) save for the Sale and Purchase Agreement, there was no understanding, arrangement or agreement which would constitute a special deal (as defined in Rule 25 of the Takeovers Code) between the Offeror and parties acting in concert with it, and the vendors under the Purchase, its ultimate beneficial owners and parties acting in concert with them, on the other hand.
- (i) no benefit (other than statutory compensation) will be given to any Director as compensation for loss of office or otherwise in connection with the Offer; and
- (j) save for the Sale and Purchase Agreement, there was no agreement, arrangement or understanding that any securities of the Company, acquired in pursuance of the Offer would be transferred, charged or pledged to any other persons. Silverbricks Securities did not have any interest in the Shares, options, derivatives, warrants or other securities convertible into Shares.

4. DEALINGS IN SECURITIES AND ARRANGEMENTS IN RELATION TO DEALINGS

During the Relevant Period:

- (a) save for the Sale and Purchase Agreement, the Offer Facility Agreement and the share charge of the Charged Shares, none of the members of the Offeror and parties acting in concert with it has dealt in or owned any Shares, warrants, options, derivatives or other securities convertible into Shares;
- (b) save for the Sale and Purchase Agreement, the Offer Facility Agreement and the share charge of the Charged Shares, no person owning or controlling any shareholding in the Company with whom the Offeror and parties acting in concert with it had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code had dealt in any Shares, convertible securities, warrants, options or derivatives of the Company;
- (c) save for the Sale and Purchase Agreement, the Offer Facility Agreement and the share charge of the Charged Shares, none of the director(s) of the Offeror had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares; and
- (d) there were no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror and parties acting in concert with it had borrowed or lent.

5. CONSENT AND QUALIFICATION OF PROFESSIONAL ADVISER

The followings are the name and the qualification of the professional adviser whose letters, opinions or advice are contained or referred to in this Composite Document:

Name	Qualifications
Silverbricks Securities Company Limited	a licensed corporation to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO, being one of the Joint Financial Advisers to the Offeror and the agent making the Offer on behalf of the Offeror
VBG Capital Limited	a licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Offeror in respect of the Offer

Silverbricks Securities and VBG Capital have given and have not withdrawn their written consents to the issue of this Composite Document with the inclusion herein of their letters, opinions or advices and references to their name in the form and context in which it appear, respectively.

As at the Latest Practicable Date, Silverbricks Securities and VBG Capital did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

6. GENERAL

As at the Latest Practicable Date:

- (a) The registered office of the Offeror was situated at OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands and the correspondence address of Mr. Kwok Chun Kwan, the director of the Offeror, was Flat 13, 12/F, Kwong Sang Hong Centre, Nos. 151-153 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong.
- (b) The registered office of Silverbricks Securities was situated at Rooms 1601-07, 16/F, Nan Fung Tower, 88 Connaught Road Central, Central, Hong Kong.
- (c) The registered office of VBG Capital was situated at 21/F, Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong.

- (d) The Offeror was directly and beneficially owned as to 53%, 27%, 10%, 7% and 3% by Mr. Kwok Chun Kwan, Mr. Chan Benson, Ms. Ho Helen Kayee, Mr. Wong Kin Man, and Ms. Kwok Li Fa Eva, respectively. The principal members of the Offeror, and/or parties acting in concert with any of them were the Offeror and Mr. Kwok Chun Kwan, Mr. Chan Benson, Ms. Ho Helen Kayee, Mr. Wong Kin Man, and Ms. Kwok Li Fa Eva.
- (e) In the event of inconsistency, the English texts of this Composite Document and the Form of Acceptance shall prevail over their respective Chinese texts.

7. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection on the website of the SFC (<http://www.sfc.hk>) from the date of this Composite Document up to and including the Closing Date:

- (a) the memorandum of association and articles of association of the Offeror;
- (b) the Letter from Silverbricks Securities, the text of which is set out on pages 10 to 21 of this Composite Document;
- (c) the written consents as referred to in the section headed “Consents and Qualification of Professional Adviser” in this Appendix IV; and
- (d) this Composite Document and the accompanying Form of Acceptance.