

2 April 2026

To: the Independent Board Committee and the Independent Shareholders

Dear Sirs,

**MANDATORY UNCONDITIONAL CASH OFFER BY
KINGSTON SECURITIES FOR AND ON BEHALF OF
BRAVE STEED LEGACY LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
MOST KWAI CHUNG LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED
TO BE ACQUIRED BY BRAVE STEED LEGACY LIMITED
AND 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 “Letter from the Board” of this Composite Document to the Independent Shareholders dated 2 April 2026, of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in this Composite Document.

On 5 March 2026 (after trading hours), the Vendor as vendor, the Vendor’s Warrantors as vendor’s warrantors, the Offeror as purchaser and Dr. Ma as purchaser’s warrantor entered into the Sale and Purchase Agreement, pursuant to which the Vendor agreed to sell and the Offeror agreed to purchase the Sale Shares, being 175,500,000 Shares, representing 65% of the total issued share capital of the Company as at the date of the Joint Announcement, for a total cash consideration of HK\$122,200,000 (representing approximately HK\$0.6963 per Sale Share). Completion took place on the Completion Date, being 12 March 2026. Immediately after Completion, the Vendor ceased to be a Shareholder.

Immediately prior to Completion, none of the Offeror, Dr. Ma, and any parties acting in concert with any of them owns, control or has direction over any Share or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately following Completion and as at the Latest Practicable Date, the Offeror, Dr. Ma, and any parties acting in concert with any of them are in aggregate interested in 175,500,000 Shares, representing 65% of the total issued share capital of the Company which together held voting rights in the Company of 65%. Save for the above, none of the Offeror, Dr. Ma, and any parties acting in concert with any of them was interested in any other Shares as at the Latest Practicable Date. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make the Offer for all the issued Shares not already owned or agreed to be acquired by the

Offeror and any parties acting in concert with it. Kingston Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, is making the Offer at the Offer Price of HK\$0.6963 per Offer Share in cash.

Pursuant to Rule 2.1 and Rule 2.8 of the Takeovers Code, the Independent Board Committee, comprising all independent non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. LEUNG Wai Man, Mr. HO Kwong Yu and Mr. LEUNG Ting Yuk, has been established to advise the Independent Shareholders as to whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer. We, Rainbow Capital (HK) Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee in the same regard and such appointment has been approved by the Independent Board Committee in accordance with Rule 2.1 of the Takeovers Code.

We are not associated or connected financially or otherwise with the Company, the Vendor, the Vendor's Warrantors, the Offeror, Dr. Ma, their respective substantial shareholders and professional advisers, or any party acting, or presumed to be acting, in concert with any of them. In the last two years prior to the commencement of the Offer Period, there was no engagement or connection between the Group, the Vendor, the Vendor's Warrantors, the Offeror, Dr. Ma, or the parties acting in concert with any of them on one hand and us on the other hand. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, the Vendor, the Vendor's Warrantors, the Offeror, Dr. Ma, their respective substantial shareholders and financial or other professional advisers, or any party acting, or presumed to be acting, in concert with any of them. Accordingly, we are considered eligible to give independent advice to the Independent Board Committee in respect of the Offer.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have considered, among other things, (i) the information and facts contained or referred to in this Composite Document; (ii) the annual report of the Company for the year ended 31 March 2025 (the "**2025 Annual Report**") and the interim report of the Company for the six months ended 30 September 2025 (the "**2025 Interim Report**"); (iii) the information and opinions provided by the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in this Composite Document were true, accurate and complete in all material respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in this Composite Document are true in all material respects at the time they were made and continue to be true in all material respects as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in this Composite Document were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of such information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in this Composite Document and that all

information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all material respects at the time they were made and continued to be so until the Latest Practicable Date.

The Independent Shareholders will be informed by the Company and us as soon as possible if there is any material change to the information disclosed in this Composite Document in accordance with Rule 9.1 of the Takeovers Code during the Offer Period, in which case we will consider whether it is necessary to revise our opinion and inform the Independent Board Committee and the Independent Shareholders accordingly.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in this Composite Document so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company, the Offeror or any of their respective subsidiaries and associates.

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 residents 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 advisers.

PRINCIPAL TERMS OF THE OFFER

Kingston Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, is making the Offer on the following basis:

For each Offer Share HK\$0.6963 in cash

The Offer Price of HK\$0.6963 per Offer Share is approximately the same but not less than the price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

The Offer is unconditional in all respects and extended to all Shareholders other than the Offeror and any parties acting in concert with it in accordance with the Takeovers Code. It is not conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions.

As at the Latest Practicable Date, the Company has 270,000,000 Shares in issue and the Company does not have any other outstanding Shares, options, warrants, derivatives or other securities 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 options, derivatives, warrants or other relevant securities which are convertible or exchangeable into Shares.

Assuming that there is no change in the issued share capital of the Company and based on the Offer Price of HK\$0.6963 per Offer Share, the total issued share capital of the Company is valued at HK\$188,001,000. The Offer is made to the Independent Shareholders. As the Offeror, Dr. Ma, and any parties acting in concert with any of them hold in aggregate 175,500,000 Shares (representing 65% of the total issued share capital of the Company) immediately after Completion and as at the Latest Practicable Date, 94,500,000 Shares (representing 35% of the total issued share capital of the Company) will be subject to the Offer. Based on the Offer Price of HK\$0.6963 per Offer Share, the consideration of the Offer would be HK\$65,800,350 in the event that the Offer is accepted in full. The Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrance and together with all rights and benefits attached thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, that is, the date of despatch of this Composite Document.

The Company confirms that as at the Latest Practicable Date, (i) it has not declared any dividend which is not yet paid; and (ii) it does not have any intention to declare or pay any future dividend or make other distributions prior to and including the date of closing of the Offer. If, after Latest Practicable Date, any dividend or other distribution is made or paid in respect of the Offer Shares, the Offeror will reduce the Offer Price by an amount equal to the gross amount of such dividend or other distribution receivable by the Independent Shareholders pursuant to Note 3 to Rule 26.3 and Note 11 to Rule 23.1 of the Takeovers Code. The Offer is unconditional in all aspects.

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

Further details of the Offer including, among other things, the expected timetable and the terms and procedures for acceptance of the Offer are set out in the sections headed “Expected Timetable”, “Letter from Kingston Securities” and “Further Terms and Procedures for Acceptance of the Offer” to this Composite Document and the Form of Acceptance.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation to the Independent Board Committee and Independent Shareholders with regard to the Offer, we have taken into account the following principal factors and reasons:

1. Background information of the Group

The Company is a company incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on the Main Board of the Stock Exchange. The principal activity of the Company is investment holding and its major operating subsidiaries are principally engaged in the provision of integrated advertising and media services which can be categorised into (i) digital media services; (ii) print media services; and (iii) other media, innovative trend business and other professional services which include events organisation and artistes management (“**OM and other services**”).

Set out below is a summary of the consolidated financial information of the Group for (i) the years ended 31 March 2024 and 2025 (“FY2024” and “FY2025”, respectively) as extracted from the 2025 Annual Report; and (ii) the six months ended 30 September 2024 and 2025 (“6M2024” and “6M2025”, respectively) as extracted from the 2025 Interim Report:

(i) *Financial performance*

	FY2024	FY2025	6M2024	6M2025
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(unaudited)	(unaudited)
Revenue	55,195	93,590	44,622	45,045
— Digital media services	48,397	70,359	35,045	40,021
— Print media services	525	302	162	32
— OM and other services	6,273	22,929	9,415	4,992
Gross profit	19,972	43,325	20,388	20,291
Other income	1,084	373	56	5
Gain on step acquisition on a subsidiary	—	1,499	1,499	—
Selling and distribution expenses	(11,503)	(17,021)	(7,136)	(8,798)
Administrative expenses	(19,756)	(22,608)	(10,908)	(10,334)
Provision for impairment losses on trade receivables, net	(118)	(312)	—	—
Finance income, net	1,365	1,099	637	351
Share of (loss)/profit of associates, net	(102)	62	62	—
Share of (loss)/profit of a joint venture	(254)	67	150	6
(Loss)/profit before income tax	(9,312)	6,484	4,748	1,521
Income tax expense	—	(100)	(72)	(130)
(Loss)/profit attributable to the Shareholders	(9,215)	6,126	4,223	894

FY2025 as compared to FY2024

The Group's revenue increased by approximately 69.6% from approximately HK\$55.2 million for FY2024 to approximately HK\$93.6 million for FY2025, primarily attributable to (a) the increase in revenue from digital media services by approximately HK\$22.0 million mainly due to the increase in number of clients and higher marketing spending from the clients of digital media services segment; and (b) the increase in revenue from OM and other services by approximately HK\$16.7 million mainly due to the increase in revenue derived from provision of matching, dating and marriage consultancy services and sale of tickets of live action role-playing game and performance events organised by the Group during FY2025.

In line with the increase in revenue, the Group's gross profit increased by approximately 116.9% from approximately HK\$20.0 million for FY2024 to approximately HK\$43.3 million for FY2025.

The Group recorded a turnaround from loss attributable to the Shareholders of approximately HK\$9.2 million for FY2024 to profit attributable to the Shareholders of approximately HK\$6.1 million for FY2025. Such turnaround was primarily attributable to (a) the increase in revenue and gross profit as mentioned above; and (b) the recognition of the one-off gain on acquisition of a subsidiary of approximately HK\$1.5 million for FY2025, which was partially offset by (a) the increase in selling and distribution expenses by approximately HK\$5.5 million mainly due to the additional selling and distribution expenses increased in line with the increased revenue; and (b) the increase in administrative expenses by approximately HK\$2.9 million mainly due to the increase in employee benefit expenses, rental expenses, and depreciation from property, plant and equipment acquired for the expansion of the new business.

6M2025 as compared to 6M2024

The Group's revenue remained relatively stable at approximately HK\$44.6 million and HK\$45.0 million for 6M2024 and 6M2025, respectively.

The Group's gross profit remained relatively stable at approximately HK\$20.4 million and HK\$20.3 million for 6M2024 and 6M2025, respectively.

The Group recorded a decrease in profit attributable to the Shareholders by approximately 78.8% from approximately HK\$4.2 million for 6M2024 to approximately HK\$0.9 million for 6M2025. Such decrease was primarily attributable to (a) the recognition of the one-off gain on acquisition of a subsidiary of approximately HK\$1.5 million for 6M2024; and (b) the increase in selling and distribution expenses by approximately HK\$1.7 million mainly due to the additional selling and distribution expenses increased in line with the increased revenue from digital media services during 6M2025.

(ii) *Financial position*

	As at 31 March		As at
	2024	2025	30 September
	HK\$'000	HK\$'000	2025
	(audited)	(audited)	HK\$'000
			(unaudited)
Non-current assets, including:	4,187	7,054	6,821
— Property, plant and equipment	1,395	1,515	1,301
— Right-of-use assets	1,516	1,078	1,215
— Goodwill	—	4,187	4,187
Current assets, including:	56,772	64,740	65,882
— Trade receivables	8,984	16,083	11,290
— Prepayments, deposits and other receivables	4,480	4,204	4,065
— Cash and cash equivalents	42,823	43,913	50,043
Total assets	60,959	71,794	72,703
Current liabilities, including:	13,671	17,578	17,245
— Trade payables	1,418	4,102	2,973
— Other payables and accruals	3,941	4,565	3,308
— Contract liabilities	5,636	6,273	8,005
Non-current liabilities	585	287	180
Total liabilities	14,256	17,865	17,425
Equity attributable to the Shareholders	45,514	51,640	52,534

As at 30 September 2025, total assets of the Group amounted to approximately HK\$72.7 million, mainly consisting of (a) goodwill of approximately HK\$4.2 million, which arose from the Group's acquisition of a subsidiary on 11 July 2024; (b) trade receivables of approximately HK\$11.3 million; (c) prepayments, deposits and other receivables of approximately HK\$4.1 million; and (d) cash and cash equivalents of approximately HK\$50.0 million.

As at 30 September 2025, total liabilities of the Group amounted to approximately HK\$17.4 million, mainly consisting of (a) trade payables of approximately HK\$3.0 million; (b) other payables and accruals of approximately HK\$3.3 million; and (c) contract liabilities of approximately HK\$8.0 million.

As at 30 September 2025, the Group recorded equity attributable to the Shareholders of approximately HK\$52.5 million with net current assets of approximately HK\$48.6 million.

(iii) Overall comment

The financial performance of the Group has been improved during the periods under review as a result of the increase in number of clients and marketing spending from the clients of digital media services segment and the Group's improvement of production cost controlling. Accordingly, the Group has recorded an increase in revenue by approximately 69.6% from FY2024 to FY2025 and a turnaround from net loss for FY2024 to net profit for FY2025. However, such improvement may not be sustainable as the Group's profit-making position for FY2025 was partially due to the recognition one-off gain on acquisition of a subsidiary of approximately HK\$1.5 million. When such one-off gain was non-recurring for 6M2025, the Group recorded a decrease in profit attributable to the Shareholders by approximately 78.8% from approximately HK\$4.2 million for 6M2024 to approximately HK\$0.9 million for 6M2025.

In addition, with reference to the 2025 Annual Report, we noted that the Group recorded net loss for the three years ended 31 March 2024 and FY2025 was the first time the Group managed to record net profit in the past four years. As such, we consider the Group's prospect to be uncertain in the short run.

2. Industry overview

Set out below are the gross domestic product ("GDP") and private consumption expenditure of Hong Kong during the period from 2021 to 2025:

	2021	2022	2023	2024	2025	CAGR
GDP (HK\$'billion)	2,868.0	2,808.9	2,981.2	3,186.8	3,331.8	3.8%
Private consumption expenditure (HK\$'billion)	1,998.0	1,954.0	2,087.6	2,083.9	2,118.7	1.5%

Source: Census and Statistics Department of the Government of Hong Kong

As shown in the table above, Hong Kong's GDP has increased from approximately HK\$2,868.0 billion in 2021 to approximately HK\$3,331.8 billion in 2025 with a compound annual growth rate ("CAGR") of approximately 3.8%, indicating the rising economic activities in Hong Kong. On the other hand, the private consumption expenditure in Hong Kong has remained stagnant and only increased at a CAGR of approximately 1.5% from approximately HK\$1,998.0 million in 2021 to approximately HK\$2,118.7 million in 2025.

According to admanGo (source: <https://iabhongkong.com/sites/default/files/2026-02/admanGo-Adspend-Report-2025e.pdf>), the market leader in the provision of competitive advertising and advertisement monitoring service in Hong Kong, the total advertisement spending in Hong Kong reached approximately HK\$33.9 billion in 2025, representing a year-on-year decrease of approximately 3%. Although local business activity in early 2025 had not yet been directly affected by the tangible impact of the U.S. tariffs, the continued trend of Hong Kong residents travelling northbound and overseas led to structural changes in local consumption, prompting advertisers to adopt a more cautious approach to resource allocation.

As advertisements are mainly targeted at consumers, the growths in GDP and private consumption expenditure are major drivers of advertising spending. Taking into account (i) the decrease in the total advertisement spending in Hong Kong in 2025; and (ii) the stagnant private consumption expenditure in Hong Kong in the past five years, we consider the market demand on advertisement in Hong Kong may remain stagnant. As the Group is principally engaged in the provision of integrated advertising and media services in Hong Kong and against such backdrop, we consider the outlook of the Group's business remain challenging.

3. Information on the Offeror and its intention regarding the Group

Details on the information on the Offeror and its intention regarding the Group are set out in the sections headed "Information on the Offeror" and "Intention of the Offeror regarding the Group" in the "Letter from Kingston Securities" in this Composite Document, which are summarised as follows:

(i) Information on the Offeror

The Offeror is a company incorporated in the British Virgin Islands on 1 September 2025 with limited liability. Dr. Ma is the sole director of, and the sole legal and beneficial owner of all issued shares in, the Offeror.

Dr. Ma, leveraging his extensive expertise in business operations, private equity investment, corporate governance and government relations, aims to explore new industry sectors through strategic investments. Moreover, Dr. Ma considers that the Acquisition presents a compelling investment opportunity for Dr. Ma.

Considering that the Offeror and Dr. Ma have no direct experience in Hong Kong's advertising and media industry, in which the Group is principally engaged, we are of the view that the Offeror may not be able to bring positive influence to the business of the Group.

(ii) *Intention of the Offeror regarding the Group*

(a) *Business*

As set out in the “Letter from Kingston Securities” in this Composite Document, the Offeror intends to continue the employment of the existing management and employees of the Group (except for a proposed change to the members of the Board at a time no earlier than permitted under the Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate), and work with them for daily operations of the Group’s existing business. Dr. Ma will leverage his wealth of experience in entrepreneurship, investment, product marketing, and public relations management to provide strategic leadership and management to the Group and its business. 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. The Offeror also intends to continue the existing principal business of the Group immediately following Completion. As at the Latest Practicable Date, the Offeror has no intention, understanding, negotiation or arrangement to downsize, cease or dispose of any of the existing business of the Group. However, the Offeror also intends to review the operation and business activities of the Group to formulate a long-term business strategy for the Group. Subject to the results of such review, the Offeror may explore other business opportunities suitable for the Group and/or seek to expand the geographical coverage or type of services of the principal business of the Group.

Save for the Offeror’s intention regarding the Group as set out above, (1) the Offeror has no intention to make material changes to the employment of the employees of the Group (except for a proposed change to the members of the Board at a time no earlier than permitted under the Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate); (2) the Offeror has no intention to dispose of or re-deploy the assets of the Group other than those in its ordinary and usual course of business; and (3) as at the Latest Practicable Date, no investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangement, understandings or negotiation in relation to the injection of any assets or business into the Group.

As at the Latest Practicable Date, the Offeror has not formulated any concrete or detailed plan for any acquisition of assets and/or business, and/or disposal of any assets and/or existing business of the Group.

(b) *Board composition*

As at the Latest Practicable Date, the Board comprised three executive Directors, namely Mr. Iu, Mr. Luk, and Ms. LEUNG Hoi Yi; and three independent non-executive Directors, namely Mr. LEUNG Wai Man, Mr. HO Kwong Yu, and Mr. LEUNG Ting Yuk.

The Offeror intends to nominate new director(s) to the Board with effect from a date which is no earlier than that permitted under the Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate. The Offeror has nominated Dr. Ma to be a new director of the Company but is still in the course of identifying additional candidates for the Board. Save for the above, as at the Latest Practicable Date, the Offeror has not reached any final decision as to (i) who will be nominated as new Director(s) of the Company; and (ii) the final composition of the Board.

Dr. Ma, aged 51, has 13 years' experience in product marketing and public relations management, and 14 years' experience in investing in and operating PRC-based hi-tech environmental protection enterprises engaged in the clean utilization and harmless environmental protection treatment of heavy metal-containing solid hazardous wastes.

He serves as chairman of the board of directors of Kingland Technology Co., Ltd. (京藍科技股份有限公司), the shares of which are listed on the Shenzhen Stock Exchange for trading (stock code: 000711), from January 2024 to now. He has successively served as vice president, deputy vice president, and chief executive officer from January 2012 to September 2015, and controlling shareholder, chairman of the board of directors and chief executive officer from September 2015 to now, of Greenovo Environmental Technology Co., Ltd.* (鑫聯環保科技股份有限公司, formerly Honghe Xinlian Technology Development Co., Ltd.* (紅河鋅聯科技發展有限公司)) (“Greenovo”). He also serves as the director (主任) of Greenovo's joint research centre with Tsinghua Suzhou Environmental Innovation Research Institute for hazardous waste treatment technology from May 2019 to now.

Prior to joining Greenovo, from June 1998 to December 2011, Dr. Ma served on various management positions at Lenovo, Fuji Xerox, NEC and Lanxum in the PRC successively, at which he was responsible for (among others) product marketing and public relations management.

Dr. Ma obtained a double bachelor's degree in automotive engineering and business administration from the Department of Automotive Engineering and the School of Economics and Management, Tsinghua University in July 1996; a master's degree in Industrial Engineering from the School of Economics and Management, Tsinghua University in June 1998; and a doctoral degree in Engineering from the School of Environment, Tsinghua University in December 2025.

Save as disclosed above, as at the Latest Practicable Date, Dr. Ma does not (1) hold any other major appointments and professional qualifications; (2) hold any other positions within the Company or other members of the Group; (3) have any relationship with any Director and senior management of the Group; or (4) hold any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years.

Save as disclosed above, there is no further information required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters relating to the proposed nomination of Dr. Ma for appointment as a Director that need to be brought to the attention of the Shareholders.

Any changes to the Board will be made in compliance with the Takeovers Code, the Listing Rules and the articles of association of the Company. Further announcement(s) will be made in this regard as and when appropriate.

(c) Maintenance of the Company's listing status

As stated in "Letter from Kingston Securities" in this Composite Document, the Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer. The sole director of the Offeror (namely Dr. Ma) has undertaken and the new Director(s) (if any) to be appointed to the Board will jointly and severally undertake to the Stock Exchange that if, at the close of the Offer, the Company fails to comply with the requirement of Rule 13.32B of the Listing Rules, they will take appropriate steps to ensure the Company's compliance with Rule 13.32B of the Listing Rules at the earliest possible moment. The steps that the Offeror may take include but not limited to placing down or selling sufficient number of accepted Shares it acquired from the Offer to the Independent Third Parties or in the market.

Taking into account that (a) the Offeror has yet to provide any plan regarding the long-term strategy for the future development of the Group or for improving the Group's business operation and financial condition; and (b) it is intended that the Offeror will nominate new Directors to the Board while the experience of new Directors to be nominated by the Offeror is still uncertain, we consider that the Offeror's long-term strategy to the Group is unclear and the prospect of the Group is uncertain as at the Latest Practicable Date.

4. Offer Price comparison

The Offer Price of HK\$0.6963 per Offer Share represents:

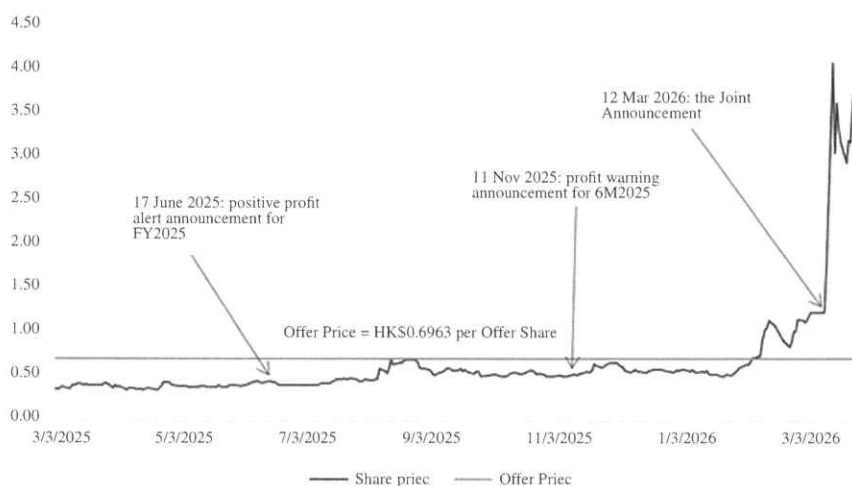
- (i) a discount of approximately 80.50% to the closing price of HK\$3.57 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 42.45% to the closing price of HK\$1.21 per Share as quoted on the Stock Exchange on the Last Trading Day (i.e. 5 March 2026);
- (iii) a discount of approximately 38.81% to the average closing price of approximately HK\$1.138 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to and including the Last Trading Day;

- (iv) a discount of approximately 32.46% to the average closing price of approximately HK\$1.031 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a discount of approximately 13.98% to the average closing price of approximately HK\$0.8095 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days immediately prior to and including the Last Trading Day;
- (vi) a premium of approximately 257.87% over the Group's unaudited consolidated net assets attributable to the Shareholders per Share of approximately HK\$0.1946 as at 30 September 2025 based on a total of 270,000,000 Shares in issue as at the Latest Practicable Date and the Group's unaudited consolidated net assets attributable to the Shareholders of approximately HK\$52.5 million as at 30 September 2025; and
- (vii) a premium of approximately 263.98% over the Group's audited consolidated net assets attributable to the Shareholders per Share of approximately HK\$0.1913 as at 31 March 2025 based on a total of 270,000,000 Shares in issue as at the Latest Practicable Date and the Group's audited consolidated net assets attributable to the Shareholders of approximately HK\$51.6 million as at 31 March 2025.

5. Trading performance of the Shares

(i) *Historical Share price performance*

Set out below is a chart showing the movement of the closing prices of the Shares as quoted on the Stock Exchange (a) from 3 March 2025 to the Last Trading Day (i.e. 5 March 2026) (the “**Review Period**”), being approximately one year preceding the Last Trading Day, and (b) up to the Latest Practicable Date. We consider the Review Period is adequate to reflect the general market sentiment and illustrates the general trend and level of movement of the daily closing price of the Shares.



Source: the website of the Stock Exchange

As shown above, the closing prices of the Shares during the Review Period ranged from the lowest of HK\$0.35 on 7, 15 and 22 April 2025 to the highest of HK\$1.21 on the Last Trading Day with an average of HK\$0.52. In other words, the Offer Price of HK\$0.6963 per Offer Share represents (a) a premium of approximately 98.94% over the lowest closing price of the Shares; (b) a discount of approximately 42.45% to the highest closing price of the Shares; and (c) a premium of approximately 33.20% over the average closing price of the Shares during the Review Period. The Offer Price was higher than the closing prices of the Shares on 231 trading days out of 249 trading days during the Review Period.

The closing prices of the Shares generally exhibited an upward trend from HK\$0.36 per Share on 3 March 2025 to HK\$1.12 per Share on 13 February 2026. The closing prices of the Shares declined to HK\$0.83 per Share on 23 February 2026 and then surge to reach the highest of HK\$1.21 on the Last Trading Day. Based on our review of the Company's announcements published on the website of the Stock Exchange, since February 2026, we noted that the Sale and Purchase Agreement was entered and completed on 5 March 2026 and 12 March 2026, respectively and the Joint Announcement was published by the Company on 12 March 2026. We have made enquires with the Directors and were advised that, save for the publication of the Joint Announcement as described above, the Directors were not aware of any specific reasons that may have an impact on the surge and fluctuation in the closing prices of the Shares since February 2026.

Following the publication of the Joint Announcement on 12 March 2026, the Share price surged to HK\$3.99 on 16 March 2026 and remained above the Offer Price as at the Latest Practicable Date. The Share price closed at HK\$3.57 as at the Latest Practicable Date, to which the Offer Price represents a discount of approximately 80.50%.

Separately, the Offer Price has been determined in accordance with the requirements of the Takeovers Code and reflects at least the highest purchase price paid by the Offeror and parties acting in concert with it for the Shares in the relevant period, thereby ensuring equal treatment of the Shareholders under the regulatory framework. In forming our view on fairness and reasonableness of the Offer Price, we have placed greater emphasis on (a) the Company's underlying fundamentals such as its profitability and outlook as mentioned in the sections above in this letter; (b) the historical trading levels of the Shares; and (c) the risks and uncertainties associated with remaining a Shareholder, rather than on short-term price spikes observed during periods of exceptional volatility. Although the Offer Price represents a discount of approximately 42.45% to the closing price of the Shares on the Last Trading Day and a discount of approximately 80.50% to the closing price of the Shares on the Latest Practicable Date, the Independent Shareholders should note that there is no guarantee that the prevailing level of market prices of the Shares will sustain during and after the Offer Period. Particularly noting that (a) the absence of any inside information, material business developments or fundamental catalysts driving such elevated prices since February 2026, as confirmed by the Directors and Offeror and analysed above; (b) the Offer Price was higher than the closing prices of the Shares on 231 trading days out of 249 trading days, representing more than 90% of trading days during the Review Period; and (c) the Offer Price represents a premium of approximately

33.20% over the average closing price of the Shares during the Review Period, we consider that there is no guarantee that the prevailing level of market prices of the Shares will sustain during and after the Offer Period and the Offer Price is justifiable and reasonable when assessed over a longer historical timeframe, being approximately one year preceding the Last Trading Day.

(ii) Liquidity of the Shares

The following table sets out the average daily trading volume of the Shares for each month or period and the percentages of such average daily trading volume to the total number of Shares in issue and held by the public during the Review Period and up to the Latest Practicable Date:

	Number of trading days (Note 1)	Approximate average daily trading volume	Approximate percentage of average daily trading volume to total number of Shares in issue (Note 2)	Approximate percentage of average daily trading volume to total number of Shares held by the public (Note 3)
2025				
March	21	80,952	0.0300%	0.0857%
April	19	121,368	0.0450%	0.1284%
May	20	24,900	0.0092%	0.0263%
June	21	129,810	0.0481%	0.1374%
July	22	170,636	0.0632%	0.1806%
August	21	1,101,714	0.4080%	1.1658%
September	22	156,898	0.0581%	0.1660%
October	20	119,900	0.0444%	0.1269%
November	20	230,300	0.0853%	0.2437%
December	21	48,190	0.0178%	0.0510%
2026				
January	21	217,714	0.0806%	0.2304%
February	17	1,827,571	0.6769%	1.9339%
From 2 March to the Last Trading Day	4	1,381,000	0.5115%	1.4614%
From 13 March to the Latest Practicable Date	12	22,023,026	8.1567%	23.3048%

Source: the website of the Stock Exchange

Notes:

1. Number of trading days of the Shares represents number of trading days during the month or period which excludes any trading day on which trading of the Shares on the Stock Exchange was suspended for the whole trading day.
2. Based on the total number of Shares in issue at the end of each month or period as disclosed in the monthly returns of the Company.
3. Based on the number of Shares held by public Shareholders as calculated by deducting the Shares held by the Vendor from the total number of the Shares in issue at the end of each month or period.

As illustrated in the table above, the trading of the Shares was generally inactive during the Review Period. The average daily trading volume for the respective month during the Review Period ranged from approximately 24,900 Shares in May 2025 to approximately 1,827,571 Shares in February 2026, representing approximately 0.0092% to 0.6769% of the total number of the Shares in issue and approximately 0.0263% to 1.9339% of the total number of the Shares held by the public, respectively.

Following the publication of the Joint Announcement and the resumption of trading of the Shares on 13 March 2026, the average daily trading volume increased to approximately 22,023,026 Shares for the period from 13 March 2026 to the Latest Practicable Date, representing approximately 8.1567% of the total number of the Shares in issue and approximately 23.3048% of the total number of the Shares held by the public. The enhanced liquidity observed in the Shares may be due to the announcement of the Offer, which may not be sustainable during or after the Offer Period.

Given the historical thin liquidity of the Shares, it may be difficult for the Independent Shareholders to dispose of a significant number of the Shares on the market in a short period of time without exerting downward pressure on the Share price. Accordingly, the market trading price of the Shares may not necessarily reflect the proceeds that the Independent Shareholders can receive through the disposal of their Shares in the open market and therefore, the Offer provides a viable alternative exit for the Independent Shareholders, particularly for those who hold a large volume of Shares, to realise their investment in the Company at the Offer Price of HK\$0.6963 per Offer Share.

6. Comparable analysis

The Group is principally engaged in the provision of integrated advertising and media services in Hong Kong.

Price-to-earnings (“**P/E(s)**”), price-to-book (“**P/B(s)**”) and price-to-sale (“**P/S(s)**”) multiples are the three most commonly used benchmarks in valuing a company. Based on (i) the Offer Price of HK\$0.6963 per Offer Share; (ii) 270,000,000 Shares in issue on the Last Trading Day; (iii) the Group’s revenue and profit attributable to the Shareholders of approximately HK\$93.6 million and HK\$6.5 million for FY2025; and (v) the unaudited equity attributable to the Shareholders of approximately HK\$52.5 million as at 30 September 2025, the P/E, P/B and P/S multiples implied by the Offer Price is approximately 29.0 times, 3.6 times and 2.0 times (the “**Implied P/E**”, “**Implied P/B**” and “**Implied P/S**”, respectively).

In evaluating the fairness and reasonableness of the Offer Price, we have, based on our search on Bloomberg, identified an exhaustive list of companies (the “**Comparable Companies**”) which are (i) principally engaged in the provision of advertising and media services in Hong Kong, accounting for more than 50% of its total revenue in the latest financial year; and (ii) publicly listed in Hong Kong. Based on the aforesaid criteria, we have identified 7 Comparable Companies.

The following table set out the details of the Comparable Companies:

Company name (stock code)	Principal activities	Market capitalisation as at the Last Trading Day (HK\$ million)	P/E on the Last Trading Day (times)	P/B on the Last Trading Day (times)	P/S on the Last Trading Day (times)
SEEC Media Group Limited (205.HK)	Provision of advertising services in Hong Kong	963.4	N/A (Note 4)	5.5	32.0 (outlier) (Note 5)
New Media Lab Limited (1284.HK)	Provision of digital media services in Hong Kong	210.0	15.6	1.1	1.0
Stream Ideas Group Limited (8401.HK)	Provision of online advertising services in Hong Kong	56.9	N/A (Note 4)	1.5	4.3
SV Vision Limited (8429.HK)	Provision of marketing and media services in Hong Kong	38.9	N/A (Note 4)	0.7	0.4
Cornerstone Financial Holdings Limited (8112.HK)	Provision of advertising and media services in Hong Kong	32.3	N/A (Note 4)	0.4	0.6
Jiading International Group Holdings Limited (8153.HK)	Provision of advertising services in Hong Kong	29.5	N/A (Note 4)	0.5	0.3
Guoen Holdings Limited (8121.HK)	Provision of integrated digital marketing services in Hong Kong	18.6	N/A (Note 4)	0.4	0.1
		Maximum	15.6	5.5	4.3
		Minimum	15.6	0.4	0.1
		Median	15.6	0.7	0.5
		Mean	15.6	1.4	1.1
The Company		188.0	29.0 (Note 1)	3.6 (Note 2)	2.0 (Note 3)

Source: Bloomberg and financial reports of the Comparable Companies

Notes:

1. Being the Implied P/E.
2. Being the Implied P/B.
3. Being the Implied P/S.
4. As the relevant company recorded net loss in its latest financial year, its P/E was unable to be derived.
5. For illustrative purpose, an outlier is a datapoint which is more than 2 standard deviations away from the overall average. The standard deviation of the P/Ss of the Comparable Companies has been calculated to be approximately 10.9. As a result, the upper boundary for identifying outlier is set at 22.9 (i.e. $1.1+2*10.9$) times, while the lower boundary is set at -20.7 (i.e. $1.1 - 2*10.9$) times. Therefore, P/S of SEEC Media Group Limited of approximately 32.0 times is regarded as an outlier.

As shown in the table above, the P/Bs of the Comparable Companies as at the Last Trading Day range from approximately 0.4 time to 5.5 times with a median and mean of approximately 0.7 time and 1.4 times, respectively. The Implied P/B of approximately 3.6 times is within the range of P/Bs of the Comparable Companies and higher than the median and mean of P/Bs of the Comparable Companies, implying that the market capitalisation of the Company as implied by the Offer Price in terms of P/B is in line with the market valuation on the Comparable Companies and not undervalued. The P/Ss of the Comparable Companies as at the Last Trading Day range from approximately 0.1 time to 4.3 times with a median and mean of approximately 0.5 time and 1.1 times, respectively. The Implied P/S of approximately 2.0 times is within the range of P/Ss of the Comparable Companies and higher than the median and mean of P/Ss of the Comparable Companies, implying that market capitalisation of the Company as implied by the Offer Price in terms of P/S is in line with the market valuation on the Comparable Companies and not undervalued. On the other hand, since the majority of the Comparable Companies record net loss in its latest financial year, the P/Es of the Comparable Companies as at the Last Trading Day represent the P/E of New Media Lab Limited as at the Last Trading Day, being approximately 15.6 times. As these is only one P/E of the Comparable Companies, we consider our comparable analysis will rely on the aforesaid P/B and P/S analysis and the information on P/E is for reference only. As the market capitalisation of the Company as implied by the Offer Price in terms of P/B and P/S is in line with the market valuation on the Comparable Companies and not undervalued, we consider the Offer Price to be fair and reasonable.

RECOMMENDATION

In summary, we have considered the below factors and reasons in arriving at our conclusion and recommendation in relation to the Offer:

- (i) the Group recorded net loss for the three years ended 31 March 2024 and FY2025 was the first time the Group managed to record net profit in the past four years. Such profit-making position for FY2025 was partially due to the recognition one-off gain on acquisition of a subsidiary of approximately HK\$1.5 million and the Group recorded a decrease in profit attributable to the Shareholders by approximately 78.8% for 6M2025 when such one-off gain was non-recurring for 6M2025. As such, we consider the Group's prospect to be uncertain in the short run;

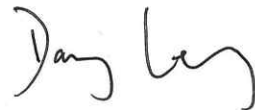
- (ii) as advertisements are mainly targeted at consumers, the growths in GDP and private consumption expenditure are major drivers of advertising spending. In view of (a) the decrease in the total advertisement spending in Hong Kong in 2025; and (b) the stagnant private consumption expenditure in Hong Kong in the past five years, we consider the market demand on advertisement in Hong Kong may remain stagnant. As the Group is principally engaged in the provision of integrated advertising and media services in Hong Kong and against such backdrop, we consider the outlook of the Group's business remain challenging;
- (iii) while the Offer Price represent a discount of approximately 42.45% to the closing price of the Shares on the Last Trading Day and a discount of approximately 80.50% to the closing price of the Shares on the Latest Practicable Date, there is no guarantee that the prevailing level of market prices of the Shares will sustain during and after the Offer Period and it is more reasonable to assess over a longer historical timeframe, being approximately one year preceding the Last Trading Day, especially taking into account that (a) the Offer Price was higher than the closing prices of the Shares on 231 trading days out of 249 trading days, representing more than 90% of trading days during the Review Period; and (b) the Offer Price represents a premium of approximately 33.20% over the average closing price of the Shares of HK\$0.52 during the Review Period;
- (iv) given the historical thin liquidity of the Shares, it may be difficult for the Independent Shareholders to dispose of a significant number of the Shares on the market in a short period of time without exerting downward pressure on the Share price. Accordingly, the Offer provides a viable alternative exit for the Independent Shareholders, particularly for those who hold a large volume of Shares, to realise their investment in the Company at the Offer Price of HK\$0.6963 per Offer Share; and
- (v) the Implied P/B and the Implied P/S are within the range of the respective P/Bs and P/Ss of the Comparable Companies and higher than the median and mean of the respective P/Bs and P/Ss of the Comparable Companies, implying that market capitalisation of the Company as implied by the Offer Price in terms of P/B and P/S is in line with the market valuation on the Comparable Companies and not undervalued.

Accordingly, we are of the view that the Offer Price of HK\$0.6963 per Offer Share is fair and reasonable, rendering the Offer fair and reasonable so far as the Independent Shareholders are concerned after taking into account the above principal factors and reasons as a whole. We recommend the Independent Board Committee to advise, and we ourselves advise, the Independent Shareholders to accept the Offer.

The Independent Shareholders, in particular those who intend to accept the Offer, are reminded to closely monitor the market price and liquidity of the Shares during the Offer Period, especially that the disposal of large blocks of Shares held by the Independent Shareholders in the open market may trigger price slump of the Shares as a result of the thin trading of the Shares. We also note that the Shares have been trading substantively above the

Offer Price since the Last Trading Day. The Independent Shareholders, other than those who hold large block of Shares, having regard to their own circumstances, in particular their purchase cost of the Shares, could consider selling their Shares in the open market instead of accepting the Offer if the net proceeds from the ultimate sale of such Shares would be higher than that receivable under the Offer.

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited



Danny Leung
Managing Director

Mr. Danny Leung is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over 10 years of experience in the corporate finance industry.