

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 Partial Offer for inclusion in this Response Document.

MESSIS 大有融資

Unit B, 15/F, Crawford Tower
99 Jervois Street
Sheung Wan, Hong Kong

1 June 2026

To: The Independent Board Committee of Metaspacex Limited

Dear Sirs,

**CONDITIONAL VOLUNTARY CASH PARTIAL
OFFER BY RAINBOW CAPITAL (HK) LIMITED
FOR AND ON BEHALF OF CHAN YUEN TUNG TO
ACQUIRE 15,800,000 SHARES IN METASPACEX LIMITED
(OTHER THAN THOSE ALREADY OWNED BY MR. CHAN YUEN TUNG
AND PARTIES ACTING IN CONCERT WITH HIM)**

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee in relation to the Partial Offer. Details of the Partial Offer are set out in the response document issued by the Company dated 1 June 2026 (the “**Response Document**”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Response Document unless the context requires otherwise.

On 20 April 2026 (after trading hours of the Stock Exchange), the Offeror notified the Offeree that he has firm intention to make the Partial Offer (in compliance with the Takeovers Code) to acquire 15,800,000 Offer Shares (representing approximately 3.29% of the Offeree’s issued share capital as at the Latest Practicable Date) not already owned by the Offeror and parties acting in concert with him at the Offer Price of HK\$0.33 per Offer Share.

The making of the Partial Offer was subject to the satisfaction of the Pre-Condition, being the obtaining of consent from the Executive in respect of the Partial Offer pursuant to Rule 28.1 of the Takeovers Code. On 5 May 2026, the Offeror announced that the Pre-Condition had been satisfied.

To the best knowledge of the Directors, as at the Latest Practicable Date, none of the Offeror or parties acting in concert with him had dealt in any Shares, options, derivatives, warrants or other relevant securities of the Offeree and the Offeror and parties acting in concert with him were not interested directly or indirectly in any voting rights or rights over any Shares, convertible securities, warrants or options or derivatives of the Offeree.

As at the Latest Practicable Date, the Offeree has 480,000,000 Shares in issue and does not have any outstanding options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Shares, nor has it entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Cheng Pak Lam, Ms. Ya Li and Ms. Chen Yan, has been established to advise the Qualifying Shareholders as to whether the Partial Offer is fair and reasonable and as to acceptance of this Partial Offer.

Messis Capital Limited has been appointed by the Board with the approval of the Independent Board Committee as the Independent Financial Adviser to advise the Independent Board Committee in the same regard.

OUR INDEPENDENCE

As at the Latest Practicable Date, we were independent from and not connected with the Company, the Offeror and its concert parties and their respective shareholders, directors or chief executives, or any of their respective associates. Accordingly, we are qualified to give independent advice to the Independent Board Committee regarding the Partial Offer.

In the last two years, save for this appointment, we have not acted as the financial adviser or independent financial adviser of the Company. Apart from normal professional fees paid or payable to us in connection with this current appointment in relation to the Partial Offer, no arrangements exist whereby we have received or will receive any fees or benefits from the Group or any other parties that could reasonably be regarded as relevant to our independence. In addition, having considered that (i) we are not a direct party to the Partial Offer; (ii) remuneration for our independent financial adviser engagement in relation to the Partial Offer is fixed and at market level, and is not conditional upon the outcome of the Partial Offer; (iii) no arrangement exists whereby we shall receive any fees or benefits from the Company (other than our said remuneration) or the Offeror, their respective controlling shareholders or any parties acting in concert with any of them; and (iv) our engagement is on normal commercial terms and approved by the Independent Board Committee, we are independent of the Company and the Offeror, their respective controlling shareholders and any parties acting in concert with any of them, we consider ourselves independent to act as the independent financial adviser to the Independent Board Committee in respect of the Partial Offer pursuant to Rule 2 of the Takeovers Code.

BASIS OF OUR OPINION AND RECOMMENDATION

In formulating our advice, we have relied on the statements, information, opinions and representations contained or referred to in the Offer Document dated 18 May 2026 and the Response Document and the information and representations provided to us by the Group, the Directors and/or management of the Company (the “**Management**”). We have assumed that all information, representations and opinions contained or referred to in the Offer Document or Response Document or made, given or provided to us by the Company, the Directors and the Management, for which they are solely and wholly responsible, were true and accurate and complete in all material respects at the time when they were made and continue to be so as at the Latest Practicable Date. We have assumed that all the opinions and representations made by the Directors in the Response Document have been reasonably made after due and careful enquiry. The Directors and the Management confirmed that no material facts have been omitted from the information provided and referred to in the Response Document. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. The Company will notify the Qualifying Shareholders of any material changes to information contained or referred to in the Response Document as soon as practicable in accordance with Rule 9.1 of the Takeovers Code. The Qualifying Shareholders will also be informed as soon as practicable when there is any material changes to the information contained or referred to this letter as well as changes to our opinion, advice and/or recommendation, the information and representations provided and made to us and the information contained in this letter, if any, after the Latest Practicable Date as soon as possible in compliance with Rule 9.1 of the Takeovers Code.

We have not, however, carried out any independent verification of the information provided, nor have we conducted any independent investigation into the financial position, business and affairs of the Group and, where applicable, their respective shareholder(s) and subsidiaries or affiliates, and their respective history, experience and track records, or the prospects of the markets in which they respectively operate.

We consider that we have been provided with sufficient information to enable us to reach an informed view and to provide a reasonable basis for our advice. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions and representations provided to us by the Group, the Directors and/or the Management and their respective advisers or to believe that material information has been withheld or omitted from the information provided to us or referred to in the aforesaid documents.

We have not considered the tax and regulatory implications on the Qualifying Shareholders of acceptance or non-acceptance of the Partial Offer since these depend on their individual circumstances. In particular, the Qualifying 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 to the Independent Board Committee solely for their consideration in respect of the Partial Offer, and except for its inclusion in the Response 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 PARTIAL OFFER

The Partial Offer is made by Rainbow Capital, for and on behalf of the Offeror, in compliance with the Takeovers Code on the basis set out below:

For each Offer Share HK\$0.33 in cash

The Offer Price of HK\$0.33 per Share was determined after taking into account, among other things, the historical closing prices of the Shares prior to the Last Trading Day.

The Partial Offer is extended to all Qualifying Shareholders in accordance with the requirements of the Takeovers Code.

Pre-Condition to the Partial Offer

As disclosed in the Announcement, the making of the Partial Offer was subject to the obtaining of consent from the Executive in respect of the Partial Offer pursuant to Rule 28.1 of the Takeovers Code. As disclosed in the announcement of the Offeror dated 5 May 2026 in relation to the update on the Partial Offer, the Offeror announced that the Pre-Condition had been satisfied on 5 May 2026.

Condition to the Partial Offer The Partial Offer is subject to the Condition that valid acceptances being received (and not, where permitted, withdrawn) in respect of not less than 15,800,000 Offer Shares at or before 4:00 p.m. (Hong Kong time) on the First Closing Date which shall be at least 28 days following the Despatch Date of this Offer Document issued by the Offeror in respect of the Partial Offer, or such later date as may be announced by the Offeror in accordance with the requirements of the Takeovers Code.

In the event that valid acceptances are received:

- (i) for less than the required number of 15,800,000 Offer Shares by the First Closing Date, unless the First Closing Date is extended in accordance with the requirements of the Takeovers Code, the Partial Offer will not proceed and will lapse immediately; or
- (ii) for not less than the required number of 15,800,000 Offer Shares on or before the First Closing Date, the Offeror will declare the Partial Offer unconditional as to acceptances on or before the First Closing Date.

Pursuant to Rule 15.1 of the Takeovers Code, where the offeree board circular is posted after the date of this Offer Document, the Partial Offer must initially be open for acceptance for at least 28 days following the Despatch Date.

Pursuant to Rule 15.3 of the Takeovers Code, where a conditional offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptance for not less than 14 days thereafter. Pursuant to Rule 28.4 of the Takeovers Code, if the acceptance condition is fulfilled before the First Closing Date, the Offeror must declare the Partial Offer unconditional as to acceptances on the day the acceptance condition is met, provided that the Partial Offer would remain open for acceptance for not less than 14 days thereafter. The Offeror cannot extend the Final Closing Date to a day beyond the 14th day after the First Closing Date stated in this Offer Document.

Accordingly, if the Partial Offer is declared unconditional in all respects during the period between the Despatch Date and the date which is 14 days before the First Closing Date, then the Final Closing Date would be on the First Closing Date. If the Partial Offer is declared unconditional in all respects within the 14th day period before the First Closing Date, the Final Closing Date would be 14 days after the date of such declaration.

The Offeror will issue an announcement in relation to the revision, extension or lapse of the Partial Offer or the fulfilment of the Condition in accordance with the Takeovers Code and the Listing Rules. The latest time on which the Offeror can declare the Partial Offer unconditional in all respects is 7:00 p.m. on the 60th day after the Despatch Date (or such later date to which the Executive may consent).

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

1.1 Historical financial information of the Group

The Group is principally engaged in the provision of fitting-out services such as ceiling, metal and glass works as well as installation of built-in furniture, timber flooring, kitchen cabinetries and timber doors for residential and commercial new buildings. In addition, the Company is also engaged in the supply of fitting-out materials includes timber products and others.

Set out below is a summary of the financial information of the Group for the two years ended 31 March 2024 and 2025 as extracted from the annual report of the Group for the year ended 31 March 2025 (the “**2025 Annual Report**”) and the six months ended 30 September 2024 and 2025 as extracted from the interim report of the Group for the six months ended 30 September 2025 (the “**2025 Interim Report**”), respectively:

Extraction of the consolidated statements of profit or loss and other comprehensive income of the Group

	For the six months ended		For the year ended	
	30 September		31 March	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(audited)	(audited)
Revenue	110,113	138,496	263,927	460,270
Cost of sales	(105,033)	(133,261)	(258,405)	(440,021)
Gross profit	5,080	5,235	5,522	20,249
Loss before income tax	(3,746)	(10,465)	(32,183)	(4,439)
Loss for the period/year attributable to owners of the Company	(3,746)	(10,465)	(32,183)	(4,439)

*Financial performance for the six months ended 30 September 2024 (“**6M2024**”) and the six months ended 30 September 2025 (“**6M2025**”)*

Based on the 2025 Interim Report, revenue of the Group decreased by approximately 20.5% from approximately HK\$138.5 million for 6M2024 to approximately HK\$110.1 million for 6M2025. Such decrease was primarily due to the projects with relatively larger contract value undertaken by the Company for property developers in Hong Kong having been substantially completed and there is a decrease in sizeable projects available in the market during the 6M2025.

The gross profit of the Group decreased from approximately HK\$5.2 million for 6M2024 to approximately HK\$5.1 million for 6M2025, representing a decrease of approximately 3.0%. The gross profit margin of the Group increased from approximately 3.8% for 6M2024 to approximately 4.6% for 6M2025. Such increase in gross profit margin was primarily attributable to the stringent costs control in 6M2025.

The loss for the period attributable to owners of the Company decreased from approximately HK\$10.5 million for 6M2024 to approximately HK\$3.7 million for 6M2025, which was principally resulted from (i) the decrease in gross profit of the Group as discussed above; (ii) the Company recorded fair value changes on held-for-trading investments of approximately HK\$2.8 million for 6M2025 but nil for 6M2024; and (iii) the decrease in administrative and other operating expenses of approximately HK\$4.5 million.

Financial performance for the year ended 31 March 2024 (“FY2024”) and the year ended 31 March 2025 (“FY2025”)

As set out in the 2025 Annual Report, the Group recorded revenue of approximately HK\$263.9 million for FY2025, representing a decrease of approximately HK\$196.3 million or 42.7% as compared to approximately HK\$460.3 million for FY2024. The decrease in revenue was primarily due to the decrease in the number of projects with relatively larger contract value undertaken by the Company for property developers in Hong Kong in the intense market competition during FY2025.

The gross profit of the Group decreased from approximately HK\$20.2 million for FY2024 to approximately HK\$5.5 million for FY2025, representing a decrease of approximately HK\$14.7 million or 72.7%. The gross profit margin of the Group decreased from 4.4% for FY2024 to approximately 2.1% for FY2025, which was primarily attributable to intensified market competition during FY2025 as the result of more competitive tender pricing and a change in project mix with relatively lower margin contribution.

The loss for the period attributable to owners of the Company significantly increased by approximately 625.0% from approximately HK\$4.4 million for FY2024 to approximately HK\$32.2 million for FY2025, which was principally resulted from (i) the decrease in gross profit of the Group as discussed above; (ii) the increase in administrative and other operating expenses of approximately HK\$2.4 million in FY2025; and (iii) the increase in provision for expected credit losses allowance on trade and other receivables and contract assets, net of approximately HK\$11.2 million.

Extraction of the consolidated statements of financial position of the Group

	As at 30 September 2025	As at 31 March 2025	
	<i>HK\$'000</i>	<i>HK\$'000</i>	2024
	(unaudited)	(audited)	<i>HK\$'000</i> (audited)
Non-current assets	1,160	1,625	934
Current assets	166,251	163,449	204,702
Total assets	167,411	165,074	205,636
Non-current liabilities	67,903	63,313	46
Current liabilities	26,694	25,201	96,847
Total liabilities	94,597	88,514	96,893
Net assets	72,814	76,560	108,743

Financial position as at 30 September 2025 and 31 March 2025

Total assets of the Group amounted to approximately HK\$167.4 million as at 30 September 2025, which is broadly in line with the total assets of the approximately HK\$165.1 million as at 31 March 2025. The total assets of the Group as at 30 September 2025 mainly comprised (i) contract assets of approximately HK\$98.6 million; (ii) cash and bank balance of approximately HK\$44.3 million; and (iii) trade and other receivables of approximately HK\$17.7 million.

Total liabilities of the Group amounted to approximately HK\$94.6 million as at 30 September 2025, which mainly consisted of (i) bank borrowings of approximately HK\$53.9 million; (ii) trade and other payables of approximately HK\$17.5 million; and (iii) interest payables of approximately HK\$12.8 million.

The equity attributable to owners of the Company amounted to approximately HK\$72.8 million as at 30 September 2025, which is lower than the equity attributable to owners of the Company of approximately HK\$76.6 million as at 31 March 2025. The decrease in the equity attributable to owners of the Company was mainly attributable to the loss for 6M2025 of approximately HK\$3.7 million.

Financial position as at 31 March 2025 and 31 March 2024

Total assets of the Group decreased from approximately HK\$205.6 million as at 31 March 2024 to approximately HK\$165.1 million as at 31 March 2025. The total assets of the Group as at 31 March 2025 mainly comprised (i) contract assets of approximately HK\$94.8 million; (ii) cash and bank balances of approximately HK\$43.1 million; and (iii) trade and other receivables of approximately HK\$25.5 million.

Total liabilities of the Group decreased from approximately HK\$96.9 million as at 31 March 2024 to approximately HK\$88.5 million as at 31 March 2025. The total liabilities of the Group as at 31 March 2025 mainly consisted of (i) borrowings of approximately HK\$50.9 million; (ii) trade and other payables of approximately HK\$15.1 million; and (iii) interest payables of approximately HK\$10.8 million.

The equity attributable to owners of the Company amounted to approximately HK\$76.6 million as at 31 March 2025, which is lower than the equity attributable to owners of the Company of approximately HK\$108.7 million as at 31 March 2024. The decrease in the total equity attributable to owners of the Company was mainly attributable to the loss for FY2025 of approximately HK\$32.2 million.

1.2 Historical dividend of the Group

As at the Latest Practicable Date, (a) no dividends or distributions have been declared but unpaid; and (b) there is no intention for the Company to make, declare or pay any dividends or distributions prior to and including the Final Closing Date.

According to the Offer Document, if, after the Latest Practicable Date and up to the Final Closing Date, any dividend and distributions is declared in respect of the Offer Shares and the record date of which falls on or before the Final Closing Date, the Offeror reserves the right to reduce the Offer Price by an amount equal to the amount of such dividend or distributions declared, made or paid in respect of each Offer Share, in which case any reference in this Offer Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced.

1.3 Outlook and prospects of the Group

As stated in the interim report of the Group for 6M2025, the Group's sources of revenue are categorised as residential and non-residential fitting-out services. During 6M2025, the Group's revenue amounted to approximately HK\$110.1 million, as compared to approximately HK\$138.5 million for 6M2024. The decrease was primarily attributable to the declined number of projects in the market. However, due to the stringent costs control in response to the challenging business environment, the Group's gross profit margin increased by 0.8% from 3.8% in 6M2024 to 4.6% in 6M2025.

Looking forward, we note management's view that Hong Kong's economy is expected to maintain steady but moderated growth in 2026, with annual GDP growth projected at approximately 2.5% to 3.5%. While the fitting-out sector remains subject to competitive pressures and market uncertainties, including fluctuations in property market sentiment and project pipelines, we consider that a stabilising macroeconomic environment and continued government support for infrastructure and industry development may provide a more supportive backdrop for the sector.

We also note the Group's intention to continue exercising prudent cost management, strengthen its project selection and tendering strategies, and enhance execution capabilities in order to safeguard margins. In addition, the Group is exploring potential opportunities in emerging sectors such as the Web3.0 industry and the new energy industry. These sectors are generally consistent with the Hong Kong Government's policy initiatives to promote innovation and technology development and the PRC's broader policy emphasis on digital economy development and renewable energy transition. Although these initiatives are at a relatively preliminary stage and their contribution to the Group's financial performance remains subject to various uncertainties, they may, if successfully implemented, broaden the Group's business scope and diversify its revenue streams over the longer term.

We noted that, as disclosed in the Company's announcement dated 24 March 2026, the Company intended to expand into the global smart robotics industry through the development of Open Claw next-generation open smart gripping actuators, with a proposed investment of approximately HK\$500 million over three financial years. However, as further disclosed in the Company's announcement dated 21 May 2026, the Board resolved not to proceed with the proposed commencement of such new business due to uncertainties in fundraising activities following the significant decline in the Share price. The approved investment budget of HK\$500 million has been cancelled. The Company confirmed that it has not entered into any legally binding agreement in respect of such new business and has not invested any amount in relation thereto, and that the termination would not have any material impact on its financial position or existing operations.

Taking into account (i) the improvement in gross profit margin in 6M2025 despite a challenging revenue environment; (ii) the Group's demonstrated ability to implement cost control measures; and (iii) its proactive approach in exploring new business opportunities, we are cautiously optimistic about the Group's prospects over the medium to long term. Nevertheless, shareholders should be mindful that the pace and extent of recovery in the fitting-out market, as well as the successful development of new business segments, remain subject to prevailing market conditions and execution risks.

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

2.1 Information on the Offeror

As set out in the Offer Document, the Offeror, Mr. Chan Yuen Tung, aged 58, is a retired merchant. He graduated with a bachelor's degree in Computer Engineering from The University of Hong Kong in 1992. Mr. Chan has enormous experience in manufacturing industries in the mainland China, property development and investment in both the property and stock market in Hong Kong. From October 1995 to February 1999, Mr. Chan was appointed as an executive director of DC Finance (Holdings) Limited, whose shares were listed on the Stock Exchange until December 2020. Since 2000, Mr. Chan has been participating in the investment in the manufacturing industries in the PRC. He was appointed as a member of Mudanjiang Committee of the Chinese People's Political Consultative Conference in 2005 and became a member of the standing committee of Mudanjiang Committee of the Chinese People's Political Consultative Conference in 2006. He was also appointed as a member of Heilongjiang Province Committee of the Chinese People's Political Consultative Conference in 2007. From 29 October 2007 to February 2012, Mr. Chan served as the chairman and an executive director of China Zenith Chemical Group Limited (stock code: 362), whose shares are listed on the Stock Exchange.

As at the Latest Practicable Date, the Offeror does not hold any Shares, and parties acting in concert with the Offeror are not interested in any Share.

2.2 Reasons for the Partial Offer

As set out in the Offer Document, the Offeror has noted that the Offeree intends to expand into the global smart robotics industry by developing a new business focused on Open Claw next-generation open smart gripping actuators as disclosed in the announcements of the Offeree dated 24 March 2026 (the “**New Business**”). The Offeree plans to invest an aggregate amount of approximately HK\$500,000,000 over the next three financial years to support the development of the New Business.

However, we note that subsequent to the issue of the Offer Document on 18 May 2026, the Company announced on 21 May 2026 that, having considered the significant decline in the Share price and uncertainties in fundraising activities, the Board resolved not to proceed with the New Business and that the approved investment budget of HK\$500 million would be cancelled. The Company further confirmed that it had not entered into any legally binding agreement nor invested any amount in relation to the New Business and that the termination would not have any material impact on its financial position or existing operations.

In light of the termination of the New Business, we consider that the Offeror’s stated rationale in relation to the anticipated development of the robotics business should be viewed in the context that the New Business will no longer proceed as previously announced on 24 March 2026. Accordingly, Qualifying Shareholders should carefully assess the Partial Offer primarily based on the Group’s existing principal business and financial performance rather than the previously proposed New Business.

As set out in the Offer Document, the Offeror has also noted that the Offeree also announced on 17 December 2025 that it had entered into a strategic cooperation memorandum with Guangzhou Xinglun Safety Industry Co., Limited (“**Guangzhou Xinglun**”) for the development of Industrial Internet of Things, research of industrial software, and actual project implementation, specific area of cooperation includes the application of industrial computing power and artificial intelligence. A new subsidiary was formed with Guangzhou Xinglun by the Offeree on 13 February 2026. The Offeror is optimistic about the prospects of these potential new business and commitments and is impressed by the short to long term development targets of the Offeree for these new business, which may provide opportunities of capital appreciation in long run.

As set out in the Offer Document, the Offeror considers that the Offeree is in a sound and stable financial position, as evidenced by its net assets value and net current assets of approximately HK\$72.8 million and HK\$139.6 million respectively as at 30 September 2025.

As set out in the Offer Document, the Offeror has also observed a significant decline in the trading price of the Shares, which decreased from the 2026 year high closing price of HK\$3.57 per Share on 16 January 2026 to HK\$0.66 per Share as at the Last Trading Day. In light of the limited liquidity in the secondary market for the Shares, the Offeror considers that the Partial Offer represents a strategic opportunity to acquire a sizeable equity stake of the Offeree at an attractive valuation, which would otherwise be difficult to achieve through on-market acquisitions.

3. The Offer Price

3.1 The Offer Price comparison

The Offer Price of HK\$0.33 per Offer Share represents:

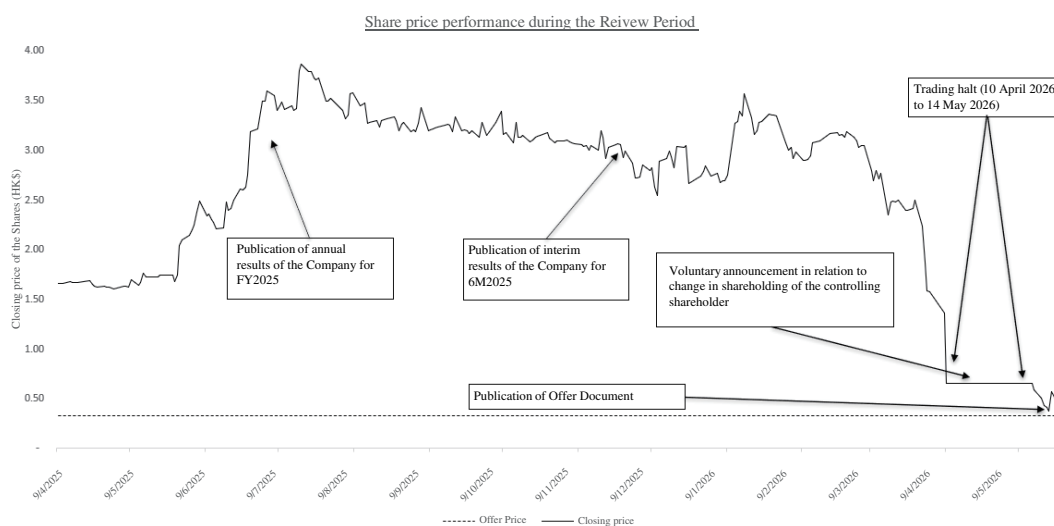
- (i) a discount of approximately 14.3% to the closing price as quoted on the Stock Exchange on 29 May 2026, being the Latest Practicable Date, of HK\$0.385 per Share;
- (ii) a discount of approximately 44.1% to the closing price of HK\$0.59 per Share as quoted on the Stock Exchange on 15 May 2026, being the latest practicable date of the Offer Document;
- (iii) a discount of approximately 50% to the closing price of HK\$0.66 per Share as quoted on the Stock Exchange on 9 April 2026, being the Last Trading Day;
- (iv) a discount of approximately 76.7% to the average of the closing prices of the Shares of approximately HK\$1.414 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 82.7% to the average of the closing prices of the Shares of approximately HK\$1.904 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (vi) a discount of approximately 86.9% to the average of the closing prices of the Shares of approximately HK\$2.517 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;
- (vii) a premium of approximately 106.3% to the audited consolidated net asset value of approximately HK\$0.16 per Share (based on (a) the Offeree Group's audited consolidated net assets attributable to the owners of the Offeree of approximately HK\$76,560,000 as at 31 March 2025; and (b) the total number of the issued Shares of 480,000,000 as at the Latest Practicable Date) as at 31 March 2025, being the date to which the latest published audited annual financial results of the Offeree Group were made up; and

(viii) a premium of approximately 120% to the unaudited consolidated net asset value of approximately HK\$0.15 per Share (based on (a) the Offeree’s unaudited consolidated net assets attributable to the owners of the Offeree of approximately HK\$72,814,000 as at 30 September 2025; and (b) the total number of the issued Shares of 480,000,000 as at the Latest Practicable Date) as at 30 September 2025, being the date to which the latest published unaudited interim financial results of the Offeree Group were made up.

3.2 Historical Share price performance

We have reviewed and analysed the closing prices of Shares for approximately 12 months immediately prior to the Last Trading Day commencing on 9 April 2025 and up to and including the Latest Practicable Date (the “**Review Period**”), which is a commonly adopted timeframe for similar share price analysis in the market and is considered to be adequately lengthy to illustrate the recent trend of the closing prices of the Shares for our analysis on the offer price under the Partial Offer and its trading volume for the purpose of assessing the fairness and reasonableness of the offer price under the Partial Offer below:

Share price performance during the Review Period



Source: www.hkex.com.hk

The Offer Price of HK\$0.33 represents (a) a discount of approximately 87.1% to the average closing Share price of approximately HK\$2.56 per Share during the Review Period; (b) a discount of approximately 50.0% to the closing price of HK\$0.66 per Share as quoted on the Stock Exchange on the Last Trading Day; (c) a discount of approximately 13.2% to the lowest closing Share price of approximately HK\$0.380 per Share during the Review Period; and (d) a discount of approximately 14.3% to the closing price of HK\$0.385 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

During the Review Period, the Share price increased from HK\$1.66 per Share on 9 April 2025, the beginning of the Review Period, to HK\$2.75 on 26 June 2025, being the date before the publication of annual results of the Company for FY2025. Based on our discussion with the Management, we understand that, the Directors were not aware of any matters related to the Group which could have caused a material impact on the Share price during the aforesaid period.

Upon the publication of annual results of the Company for FY2025 on 27 June 2025 and before the publication of voluntary announcement in relation to the commencement of new business dated 24 March 2026 in relation to the proposed commencement of the New Business focusing on the development of Open Claw next-generation open smart gripping actuators, the Share price remained relatively stable, ranging between HK\$2.35 and HK\$3.87 per Share.

The Share price decreased from approximately HK\$2.42 on 26 March 2026 to HK\$0.66 on 9 April 2026, being the Last Trading Day. Based on our discussion with the Management, we understand that, save for 102,288,000 Shares owned by the controlling shareholder of the Company, representing approximately 21.31% of the issued Shares, being disposed of during the period from 2 April 2026 to 9 April 2026 (the “**Controlling Shareholder Disposal**”), the Directors were not aware of any matters related to the Group which could have caused a material impact on the Share price during such period.

The Share price was HK\$0.66 on Last Trading Day on 9 April 2026. During the period from 10 April 2026 to 14 May 2026, the trading in Shares was halted. After the resumption of trading in Shares on 15 May 2026, the Share price was decreased from HK\$0.66 on Last Trading Day to HK\$0.38 on 21 May 2026. Based on our discussion with the Management, save for the voluntary announcement of the Company dated 14 April 2026 in relation to the Controlling Shareholder Disposal during the period from 2 April 2026 to 9 April 2026, the Directors were not aware of any matters related to the Group which could have caused such decrease on the Share price during such period.

After the publication of termination of the New Business on 21 May 2026 (after trading hours), the Share price increased to HK\$0.57 on 22 May 2026. The Share price then decreased to HK\$0.385 on 29 May 2026, the Latest Practicable Date.

Qualifying 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.

3.3 Historical liquidity of the Shares

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

Month/period	Number of trading days in the month/period	Average daily trading volume per trading day in the month/period	Percentage of	Percentage of
			average daily trading volume to total number of Shares in issue <i>(Note 1)</i> <i>Approximate</i> %	average daily trading volume to total number of Shares held by public Shareholders <i>(Note 2)</i> <i>Approximate</i> %
2025				
April (from 9 April 2025)	14	104,857.14	0.02%	0.05%
May	21	94,952.38	0.02%	0.04%
June	21	378,380.95	0.08%	0.17%
July	22	683,454.55	0.14%	0.30%
August	21	644,095.24	0.13%	0.29%
September	22	457,454.55	0.10%	0.20%
October	20	1,037,478.15	0.22%	0.46%
November	20	1,209,700.00	0.25%	0.54%
December	21	1,268,571.43	0.26%	0.57%
2026				
January	21	2,573,523.81	0.54%	1.15%
February	17	1,020,000.00	0.21%	0.46%
March	22	1,046,417.73	0.22%	0.47%
April (<i>Note 3</i>)	19	9,026,842.05	1.88%	4.03%
May (up to the Latest Practicable Date) (<i>Note 3</i>)	19	9,173,921.05	1.91%	5.05%

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 of each trading day.
3. During the Review Period, the trading in the Shares had been halted on 10 April 2026 and trading was resumed on 15 May 2026.

As set out in the table above, the percentage of average daily number of Shares traded relative to the total number of Shares in issue ranged from approximately 0.02% to 1.91%, with an average of approximately 0.43%. The percentage of average daily trading volume to the total number of Shares held by public shareholders ranged from approximately 0.04% to 5.05%, with an average of approximately 0.98%.

We have discussed with the Management regarding the fluctuations and occasional increases in trading volume in April and May 2026. Save for the voluntary announcement of the Company dated 14 April 2026 in relation to the change in shareholding of the controlling shareholder, which involved the disposal of certain Shares by a lender of the controlling shareholder on the open market, the Management was not aware of any other specific corporate actions, events or matters which, to the best of its knowledge, may have led to the increase in trading volume of the Shares in April and May 2026.

As shown in the above table, April 2026 and May 2026 recorded a relatively high trading volume as compared to other months, representing 4.03% and 5.05%, respectively, of average daily trading volume to the total number of Shares held by public Shareholders. As advised by Management, they are not aware of any material events that could potentially be related to the aforesaid movement in trading volume in the said period.

As such, we consider that the trading liquidity of the Shares have been thin in the open market during the Review Period, which may impose limitation on potential investor participation. In this context, Qualifying Shareholders shall be aware that, depending on their shareholding size, when attempting to realise their investment or dispose their Shares in the open market could potentially exert downward pressure on the price of the Shares causing the sale proceeds from the disposal in the open market to be lower than the average Share Price during the Review Period, i.e. HK\$2.56. The Qualifying Shareholders are also reminded that if the valid acceptances of more than 15,800,000 Offer Shares are received, the Qualifying Shareholders may not be able to fully realise their Shares, in case they opt to accept the Partial Offer.

3.4 Market comparable analysis

With a view to assess the fairness and reasonableness of the Offer Price, we have also conducted market comparable analysis by comparing the price-to-earnings ratio (the “**P/E Ratio**”) and the price-to-book ratio (the “**P/B Ratio**”) of the Company as implied by the Offer Price, based on the closing price of the Share on the Last Trading Day against that of other listed companies on the Main Board of the Stock Exchange that engages in similar business to those of the Group, i.e. fitting-out services.

For the purpose of our analysis, we have identified comparable companies based on the following criteria: (a) the shares of which are listed on the Main Board of the Stock Exchange; (b) more than half of the revenue of the respective listed company(ies) are from fitting-out services and repair, maintenance, alteration and additional works, which are of a similar nature of the principal activity of the Company; (c) the trading of shares of the subject companies were not suspended on the Last Trading Day; and (d) the listed company(ies) did not record net liabilities or total deficit as at the latest financial year/period (the “**Criteria**”).

Based on the Criteria, we have identified an exhaustive list of nine comparable companies (the “**Comparable Companies**”).

Company (Stock Code)	Principal activities	Market	P/E Ratio	P/B Ratio
		capitalisation <i>(Note 1)</i> <i>(HK\$'million)</i>	<i>(Note 2)</i> <i>(times)</i>	<i>(Note 3)</i> <i>(times)</i>
Mexan Limited (22)	Trading of furniture and building materials and fit-out construction service	489.6	Net loss	1.89
Superland Group Holdings Limited (368)	Provision of fitting-out services and repair and maintenance services to residential and commercial properties in Hong Kong	600.0	26.94	2.62
Glorious Sun Enterprises Limited (393)	Financial investments, interior decoration and renovation, and export and retailing of casual wear	1,950.0	23.27	0.65
Sundart Holdings Limited (1568)	(i) integrated fitting-out works; and (ii) manufacturing and international sourcing and distribution of interior decorative materials business	1,597.1	5.98	0.44
Unity Enterprise Holdings Limited (2195)	(i) provision of repair, maintenance, alteration and addition works services; (ii) distributorship of building materials; and (iii) provision of electric vehicle advising and installation services	61.7	Net loss	0.68
Lai Si Enterprise Holding Limited (2266)	Fitting-out, alteration and addition works, construction works and repair and maintenance services	158.0	19.22	1.21

Company (Stock Code)	Principal activities	Market	P/E Ratio	P/B Ratio
		capitalisation (Note 1) (HK\$'million)	(Note 2) (times)	(Note 3) (times)
ISP Holdings Limited (2340)	(i) the interiors and special projects business; and (ii) property and facility management	131.5	Net loss	1.02
China Supply Chain Holdings Limited (3708)	Building maintenance and renovation services	167.8	Net loss	1.18
G & M Holdings Limited (6038)	The provision of one-stop design and build solutions as well as repair and maintenance services in relation to podium facade and curtain wall works	396.2	7.13	1.33
	<i>Maximum</i>		28.78	2.80
	<i>Minimum</i>		5.82	0.34
	<i>Average</i>		17.87	1.06
The Company (implied by the Offer Price)		158.4	Net loss	2.2

Notes:

1. Based on the closing price of the shares and the total number of shares in issue of the respective Comparable Companies on the Last Trading Day.
2. Based on the market capitalisation as at the Last Trading Day and the profit attributable to owners for the latest full financial year of the respective Comparable Companies.
3. Based on the market capitalisation as at the Last Trading Day and the net asset attributable to owners of the respective Comparable Companies based on their latest published annual report or interim report, whichever is later.

Based on the unaudited net asset attributable to owners of the Company of approximately HK\$72.8 million as at 30 September 2025, and the implied market capitalisation of the Company of approximately HK\$158.4 million based on the Offer Price of HK\$0.33 under the Partial Offer and 480,000,000 Shares in issue, the implied P/B ratio (the “**Implied P/B Ratio**”) of the Company was approximately 2.2 times.

As the Company recorded a net loss for 6M2025, the P/E Ratio of the Company is not applicable. In the absence of positive earnings, the P/E Ratio cannot serve as a meaningful valuation indicator or be directly compared with those of the Comparable Companies.

It is noted from the above table that the Comparable Companies recorded P/B Ratio between approximately 0.34 times and 2.80 times with average P/B Ratio of 1.06 times.

Based on the Offer Price, the Implied P/B Ratio of 2.2 times is higher than the average P/B Ratio of the Comparable Companies.

Taking into account the Company's inability to demonstrate recurring profitability from its principal business activities, the Partial Offer may present an opportunity for the Qualifying Shareholders to realise their investment.

Nonetheless, as the market price of the Shares was higher than the Offer Price during the Review Period, it is advisable for the Qualifying Shareholders to place more weight on other factors and analysis set out in this letter including the Group's share price performance and thin trading liquidity as well as the Group's operation and business outlook, all of which provide a broader and more balanced context for evaluation.

RECOMMENDATION

Despite the fact that

- (a) the Offer Price represents a premium of approximately 120% to the unaudited consolidated net asset value of approximately HK\$0.15 per Share on 30 September 2025; and
- (b) the P/B Ratio implied by the Offer Price was higher than the average,

which may be regarded as supportive of the Partial Offer, we have also considered the abovementioned other principal factors and reasons for the Partial Offer, including:

- (a) as discussed in the section headed "Outlook and prospects of the Group" in this letter, despite a decline in revenue in recent periods, the Company has demonstrated improved gross profit margins through effective cost control and prudent management. With a stabilising economic environment and initiatives to explore new business opportunities, the Company remains cautiously optimistic about its medium- to long-term growth prospects;
- (b) the Offer Price represents a discount of approximately 14.3% to the closing price of HK\$0.385 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (c) the Offer Price represents a discount of approximately 87.1% to the average closing Share price of approximately HK\$2.56 per Share during the Review Period;
- (d) the Offer Price represents a discount of approximately 50.0% to the closing price of HK\$0.66 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (e) the Offer Price represents a discount of approximately 13.2% to the lowest closing Share price of approximately HK\$0.380 per Share during the Review Period,

we consider the Partial Offer to be **NOT** fair and reasonable so far as the Qualifying Shareholders are concerned on a totality basis having placed greater emphasis on the substantial discounts to recent and historical market prices and the continuing business operations and prospects of the Group.

We have also considered the Company's announcements dated 14 April 2026 and 14 May 2026 in relation to (i) the Controlling Shareholder Disposal of 102,288,000 Shares by a lender of the controlling shareholder pursuant to enforcement of a lending arrangement, and (ii) the subsequent termination of the proposed sale and purchase agreement relating to the entire remaining 53.3% shareholding of the controlling shareholder (the "**Disposal Termination**").

We noted that the Controlling Shareholder Disposal was arisen from the controlling shareholder's lending arrangement and the invocation of enforcement rights by its lender. Although the Company confirmed that it is not a party to such lending arrangement and that the matter would not have any material impact on its principal business or daily operations, we consider that the incidents reflect certain financial pressures facing the controlling shareholder and may create short-term uncertainty regarding shareholding stability and potential market overhang.

We also noted that immediately following the Controlling Shareholder Disposal and the Disposal Termination, the controlling shareholder continues to hold approximately 53.3% of the issued share capital of the Company, and trading in the Shares resumed on 15 May 2026. There is no indication that the Company's underlying business operations or financial position have been materially affected by such events.

While the above developments may contribute to volatility in the trading price of the Shares and uncertainty regarding the controlling shareholder's financing arrangements, having considered (i) the substantial discount represented by the Offer Price to the prevailing market prices; (ii) the partial nature of the Partial Offer; and (iii) the fact that the Company's operations remain ongoing, we are of the view that such shareholding uncertainty, in itself, does not justify acceptance of the Partial Offer at the Offer Price.

Accordingly, we advise the Independent Board Committee not to recommend the Qualifying Shareholders to accept the Partial Offer. It is advisable for the Qualifying Shareholders to consider selling their Shares in the open market if the market price of the Shares exceeds the Offer Price during the period when the Partial Offer is open and the sales proceeds, net of transaction costs, from disposal of the Shares exceed the amount receivable under the Partial Offer.

Notwithstanding our recommendation, the Qualifying Shareholders, in particular those who may wish to realise their investment in the Shares, are reminded to monitor the market price and liquidity of the Shares closely during the period of the Partial Offer. If during the period of the Partial Offer, it transpires that the market price of the Shares below the Offer Price and the sales proceeds (net of transaction costs) less than the net proceeds receivable under the Partial Offer, the Qualifying Shareholders may consider, if they are able to do so, accepting the Partial Offer instead of selling their Shares in the market.

As different Qualifying Shareholders would have different investment criteria, objectives, risk preference and tolerance level and/or circumstances, we would recommend any Qualifying Shareholder who may require advice in relation to any aspect of the Response 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 before making the decision to, whether or not, accept the Partial Offer. The Qualifying Shareholders should read carefully the procedures for accepting the Partial Offer as detailed in the Offer Document.



Yours faithfully
For and on behalf of
Messis Capital Limited
Thomas Lai
Chief Executive Officer

Mr. Thomas Lai is a licensed person registered with the SFC and a responsible officer of Messis 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 35 years of experience in the corporate finance industry.