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17 April 2025

To the Independent Board Committee

Anacle Systems Limited
Suite 2903, 29/F, China Resources Building
26 Harbour Road,
Wanchai, Hong Kong

Dear Sir or Madam,

(1) PROPOSED TAKE PRIVATE OF ANACLE SYSTEMS LIMITED BY MANAGEMENT REPORTS INTERNATIONAL PTE LTD BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 210 OF THE COMPANIES ACT

(2) PROPOSED WITHDRAWAL OF LISTING OF ANACLE SYSTEMS LIMITED

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal, the Scheme and the Option Offer. Our appointment as the Independent Financial Adviser has been approved by the Independent Board Committee as set out in the announcement of the Company dated 3 March 2025. Details of the Proposal, the Scheme and the Option Offer are set out in "Part IV — Letter from the Board" and "Part VII — Explanatory Statement" contained in the Scheme Document dated 17 April 2025, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Scheme Document unless the context requires otherwise.

The Proposal

Pursuant to the Announcement dated 3 March 2025, the Offeror and the Company jointly announced that the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders and the Optionholders for (i) the proposed take private of the Company through the proposed acquisition by the Offeror of all the Scheme Shares by way of the Scheme in accordance with Section 210 of the Companies Act; and (ii) the making of the Option Offer, which will be conditional upon the Scheme becoming effective in accordance with its terms, pursuant to Rule 13 of the Takeovers Code. Upon the Scheme becoming effective, the Offeror will directly hold 100% of the Shares, and the listing of the Shares will be withdrawn from GEM of the Stock Exchange.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, which comprises (i) the non-executive Directors, namely Mr. Lee Suan Hiang and Dr. Chong Yoke Sin; and (ii) all the independent non-executive Directors, namely Mr. Alwi Bin Abdul Hafiz, Mr. Mok Wai Seng and Mr. Chua Leong Chuan Jeffrey, has been established by the Board to advise (i) the Disinterested Shareholders as to whether the Proposal and the Scheme are fair and reasonable and as to voting at the Court Meeting; (ii) the Optionholders as to whether the Option Offer is fair and reasonable and whether to accept or reject the Option Offer.

THE INDEPENDENT FINANCIAL ADVISER

As the Independent Financial Adviser in relation to the Proposal, the Scheme and the Option Offer, our role is to advise the Independent Board Committee as to (i) whether the Proposal and the Scheme are fair and reasonable so far as the Disinterested Shareholders are concerned; (ii) whether the Disinterested Shareholders should vote in favour of the resolution to be proposed at the Court Meeting to approve the Scheme; and (iii) whether the Option Offer is fair and reasonable as far as the Optionholders are concerned and whether to accept or reject the Option Offer.

We (i) are not associated or connected, financial or otherwise, with the Company or the Offeror, their respective controlling shareholders or any parties acting, or presumed to be acting, in concert with any of them; and (ii) have not acted as the financial adviser or independent financial adviser in relation to any transaction of the Company or the Offeror, their respective controlling shareholders or any parties acting in concert with any of them in the last two years prior to the date of the Scheme Document.

Pursuant to Rule 17.96 of the GEM Listing Rules and Rule 2 of the Takeovers Code, and given that (i) remuneration for our engagement to opine on the Proposal, the Scheme and the Option Offer is at market level and not conditional upon the outcome of the Proposal, the Scheme and the Option Offer; (ii) 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 (iii) our engagement is on normal commercial terms and approved by the Independent Board Committee, we are independent of the Company or the Offeror, their respective controlling shareholders or any parties acting in concert with any of them and can act as the Independent Financial Adviser to the Independent Board Committee in relation to the Proposal, the Scheme and the Option Offer.

BASIS OF OUR ADVICE

In formulating our opinion, we have reviewed, amongst others (i) the Announcement; (ii) the quarterly results announcement of the Company for the nine months ended 28 February 2025 (the "**2025 Third Quarterly Results Announcement**"); (iii) the interim report of the Company for the six months ended 30 November 2024 (the "**2025 Interim Report**"); and (iv) the annual report of the Company for the year ended 31 May 2024 (the "**2024 Annual Report**"); and (iv) other information as set out in the Scheme Document.

We have relied on the statements, information, opinions and representations contained or referred to in the Scheme Document and/or provided to us by the Company, the Directors and the management of the Company (collectively, the "**Management**"). We have assumed that all statements, information, opinions and representations contained or referred to in the Scheme Document and/or provided to us were true, accurate and complete in all material aspects at the time they were made and continued to be so as at the Latest Practicable Date. The Company will notify the Disinterested Shareholders of any material changes to information contained or referred to in the Scheme Document as soon as practicable in accordance with Rule 9.1 of the Takeovers Code. The Disinterested Shareholders will also be informed as soon as practicable when there are any material changes to the information contained or referred to herein as well as changes to our opinion, if any, after the Latest Practicable Date and up to the date of the Court Meeting.

We have no reason to believe that any statements, information, opinions or representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material fact the omission of which would render the statements, information, opinions or representations provided to us untrue, inaccurate or misleading. We have assumed that all the statements, information, opinions and representations for matters relating to the Company contained or referred to in the Scheme Document, and information relating to the Company provided to us by the Company and the Management have been reasonably made after due and careful enquiry. We have relied on such statements, information, opinions and representations and consider that we have been provided with and have reviewed sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not conducted any independent investigation into the business, financial conditions and affairs or the future prospects of the Group.

We have not considered the taxation implications on the Disinterested Shareholders and Optionholders arising from acceptance or non-acceptance of the Proposal, the Scheme and the Option Offer, if any, and therefore we will not accept responsibility for any tax effect or liability that may potentially be incurred by the Disinterested Shareholders and Optionholders as a result of the Proposal, the Scheme and the Option Offer. In particular, the Disinterested Shareholders and Optionholders who are subject to Hong Kong or overseas taxation on dealings in securities are urged to seek their own professional adviser on tax matters.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our advice for the Proposal, the Scheme and the Option Offer, we have considered the following principal factors and reasons:

1. Background and financial information of the Group

1.1 Background of the Group

The Company has been listed on the Main Board of the Stock Exchange since 16 December 2016. The Group is principally engaged in offering (i) enterprise application software to assist commercial property and building owners in managing their real estate assets and facilities; and (ii) energy management system to assist commercial property and building owners in monitoring and managing their energy consumption. The Group derived its revenue from two sources: (i) subscription and support services; and (ii) professional services, with subscription and support revenue being its main sources of revenue, accounting for approximately 70.5%, 81.3%, and 89.5% of the Group's total revenue for FY2023, FY2024, and 3Q2025 (as defined below), respectively.

The Group operates by offering two main products, namely "*Simplicity*" and "*Starlight*". "*Simplicity*" is a business software applications designed to meet the specific needs of operations within the built environment. It provides professional services for dedicated customer support and primarily offers three tailored solutions: (i) software solutions for commercial landlords and asset/property managers to manage commercial real estate portfolios; (ii) operational and financial visibility into all aspects of corporate real estate for large companies and organisations with substantial real estate holdings; and (iii) solutions for revenue assurance and management of mission-critical assets for utilities industries. The main feature of "*Starlight*" is the smart utilities management solution ("**UMS**"), a cloud-based platform using the Internet of Things (IoT). This platform aims to redefine energy and water management standards, offering full solutions for revenue and non-revenue uses. By using IoT sensors, wireless communication, and data analytics, UMS helps businesses and communities make smart choices to enhance their energy and water efficiency.

During FY2023, FY2024, and 3Q2025, the Group's revenue generated from "*Simplicity*" segment accounted for approximately 94.6%, 95.0%, and 94.4% of its total revenue, with the remaining revenue generated from "*Starlight*" segment.

In terms of geographical contribution, most of the Group's revenue during FY2023, FY2024, and 3Q2025 was generated from the Singapore market, accounting for approximately 93.0%, 94.6%, and 93.5% of its total revenue during the same periods, while the rest came from Thailand and other regions/countries.

1.2 Historical financial performance of the Group

Set out below is a table summarising certain key financial information of the Group for its financial years ended 31 May ("**FY**") 2023 and 2024 ("**FY2023**" and "**FY2024**") and the nine months ended 28 February 2024 and 2025 respectively ("**3Q2024**" and "**3Q2025**"), as extracted from the 2024 Annual Report and the 2025 Third Quarterly Results Announcement.

Selected items of Consolidated Statement of Comprehensive Income

S$	**3Q2025** (unaudited)	**3Q2024** (unaudited)	**FY2024** (audited)	**FY2023** (audited)
Revenue	**21,758,502**	**17,614,663**	**26,700,265**	**23,800,162**
— Subscription and support services	19,471,301	14,149,834	21,700,668	16,780,533
— Professional services	2,287,201	3,464,829	4,999,597	7,019,629
Cost of sales	**(11,098,052)**	**(9,169,726)**	**(13,256,275)**	**(11,947,067)**
— Subscription and support services	(9,629,288)	(6,357,883)	(9,671,520)	(8,097,945)
— Professional services	(1,468,764)	(2,811,843)	(3,584,755)	(3,849,122)
Gross profit	**10,660,450**	**8,444,937**	**13,443,990**	**11,853,095**
Gross profit margin	49.0%	47.9%	50.4%	49.8%
— Subscription and support services	50.5%	55.1%	55.4%	51.7%
— Professional services	35.8%	18.8%	28.3%	45.2%
Operating expenses	**(10,680,108)**	**(9,346,733)**	**(12,928,938)**	**(11,503,590)**
— Research and development costs	(2,235,858)	(2,137,185)	(2,607,512)	(2,338,409)
— Marketing and other operating expenses	(2,199,858)	(2,181,329)	(2,924,272)	(2,726,328)
— Administrative expenses	(6,244,392)	(5,028,219)	(7,397,154)	(6,438,853)
Income from operations	**(19,658)**	**(901,796)**	**515,052**	**349,505**
Other revenue	446,960	309,256	407,920	478,522
Other (losses)/gains	(28,675)	78,174	(96,438)	(251,699)
Finance costs	(78,916)	(89,960)	(123,088)	(86,463)
Profit or loss before income tax	**319,711**	**(604,326)**	**703,446**	**489,865**
Income tax (expense)/credit	(726)	10,668	(112,458)	(117,561)
Profit or loss for the year/period	**318,985**	**(593,658)**	**590,988**	**372,304**

FY2024 vs FY2023

The Group recorded an increase in revenue of about 12.2% in FY2024 compared with FY2023 mainly due to the increase in revenue from subscription and support services in FY2024. Such increase was primarily caused by an increased number of new customers, expansion of the Group's product offerings sold to existing customers, as well as strong customer renewals. Conversely, the decline in revenue from providing professional services, dropping from approximately S$7.0 million in FY2023 to approximately S$5.0 million in FY2024, was primarily due to less demand for larger, multi-year transformation engagements and project delays.

The Group's cost of sales increased by 11.0% in FY2024, which aligns with the increase in the Group's revenue during the same period. In particular, the 19.4% increase in cost of sales of subscription and support services in FY2024 was primarily driven by the increase in system operations and support personnel, heightened demand for cloud computing capacity, and additional hires to meet compliance obligations. The slight decrease in the cost of sales for professional services correlated with the decrease in professional services revenue, primarily due to a reduction in average headcount. With a slight increase in the gross profit margin in FY2024 and a concurrent revenue increase, the Group's gross profit increased by approximately 13.4% to S$13.4 million in FY2024.

The increase in the Group's operating expenses in FY2024 was generally in line with the increase in the Group's revenue in FY2024. Specifically, research and development costs surged by approximately 11.5%, mainly due to a higher average headcount as the Group ventured into new technological areas. Marketing and other operating expenses experienced a rise of approximately 7.3%, mainly attributed to expenses incurred for a significant technology marketing event in July 2023 and the opening of a new office in Japan in January 2024. Administrative expenses surged by approximately 14.9% in FY2024, mainly due to post-IPO employee share options, increased compliance-related fees, and higher Director fees.

Other revenue mainly comprised government grants and interest income from bank deposits. The decrease in other income in FY2024 by S$0.07 million resulted from a decrease in government grants of approximately S$0.29 million and an increase in interest income of approximately S$0.22 million in the same period. Fluctuations in other losses in FY2024 were primarily due to variations in foreign currency exchange rates and provisions for slow-moving inventory in the "*Starlight*" segment.

As a result of the foregoing, the profit or loss for the year of the Group increased from approximately S$0.37 million in FY2023 to approximately S$0.59 million in FY2024.

3Q2025 vs 3Q2024

The Group recorded an increase in revenue of about 23.5% in 3Q2025 compared with 3Q2024, primarily attributed to the increase in revenue from subscription and support services in 3Q2025. Such increase was primarily caused by a growing number of new customers, expansion of the Group's product offerings to existing customers, as well as robust customer renewals.

The Group's cost of sales increased by 21.0% in 3Q2025 compared to 3Q2024, aligning with the revenue increase during the same period. In particular, the approximately 51.5% increase in cost of sales of subscription and support services in 3Q2025 was primarily due to higher average headcount for system operations and support personnel, increased demand for cloud computing capacity, and cybersecurity compliance costs. The decrease in the cost of sales of professional services aligned with the decline in professional services revenue with improved staff productivity. With a slight increase in the Group's gross profit margin in 3Q2025, gross profit increased by approximately 26.2% to S$10.7 million in 3Q2025, mainly due to the revenue increase in the same period as mentioned above.

The Group's research and development costs and marketing and other operating expenses remained relatively stable in 3Q2025 compared to 3Q2024. The increase in the administrative expenses of approximately 24.2% was generally in line with the revenue increase in 3Q2025. Fluctuations in other losses/gains in 3Q2025 were mainly attributed to fluctuations in foreign currency exchange rates.

As a result of the foregoing, the Group's profit or loss for the period increased by approximately S$0.91 million, from a loss of approximately S$0.59 million in 3Q2024 to a profit of approximately S$0.32 million in 3Q2025.

Overall, we observed that the Group's financial performance and profitability have continuously improved from FY2023 to 3Q2025, amidst challenges such as the global geopolitical uncertainties and economic challenges as detailed in the section headed "1.4 Industry and outlook of the Group" below. We have observed that the Share price performance has remained stagnant for an extended period from 28 February 2024 up to the Undisturbed Date, whereby the Share Price fluctuated between HK$0.300 and HK$0.400 during the respective period (as detailed in the section headed "4.1 Historical price performance of the Shares" below). It appears that the improvement in financial performance has not been reflected in the historical traded Share Price. In other words, Shareholders have not been able to capture the value derived from such improvement. Whereas the Scheme Consideration presents an opportunity for the Disinterested Shareholders to monetise their Scheme Shares at a premium over the prevailing market price of the Shares, as detailed in the section headed "3. Rationale of the Proposal from the perspectives of the Disinterested Shareholders, the Company and the Offeror" below.

Selected items of Consolidated Statement of Financial Position

S$		**As at**	
	28 February 2025 (unaudited)	**31 May 2024** (audited)	**31 May 2023** (audited)
Non-current assets			
Property, plant and equipment	672,177	892,223	985,487
Right-of-use assets	1,605,062	2,459,732	3,491,622
Staff loans	1,152,551	1,200,609	1,290,862
Others	36,890	38,500	114,131
Total non-current assets	**3,466,680**	**4,591,064**	**5,882,102**
Current assets			
Trade receivables	6,325,530	3,822,999	4,482,582
Contract assets	3,982,734	4,213,479	2,103,074
Other receivables, deposits and prepayments	1,015,684	804,391	556,514
Staff loans	63,934	88,535	135,502
Inventories	436,054	487,663	738,899
Bank balances and cash	9,412,249	11,721,559	11,853,222
Total current assets	**21,236,185**	**21,138,626**	**19,869,793**

S$		As at	
	28 February 2025 (unaudited)	**31 May 2024** (audited)	**31 May 2023** (audited)
Current liabilities			
Trade payables	164,786	263,238	253,599
Contract liabilities	2,615,608	2,823,805	2,637,725
Other payables and accruals	1,583,052	1,977,596	2,196,320
Lease liabilities	1,181,277	1,185,319	1,130,662
Others	13,299	53,114	43,566
Total current liabilities	**5,558,022**	**6,303,072**	**6,261,872**
Non-current liabilities			
Provision for reinstatement cost	80,000	80,000	80,000
Lease liabilities	562,733	1,443,551	2,521,063
Total non-current liabilities	**642,733**	**1,523,551**	**2,601,063**
Net Asset	**18,502,110**	**17,903,067**	**16,888,960**

The Group's non-current assets primarily consisted of property, plant, and equipment, right-of-use assets, and staff loans. The non-current assets had consistently decreased from approximately S$5.9 million as at 31 May 2023, to approximately S$3.5 million as at 28 February 2025. This decline was primarily attributed to the continuous decrease in the right-of-use assets due to depreciation during the periods.

In terms of current assets, the Group mainly held trade receivables, contract assets, bank balances and cash as well as other receivables. Current assets had generally remained stable as at 31 May 2023, 31 May 2024 and 28 February 2025. While the Group's bank balances and cash were stable as at 31 May 2023 and 31 May 2024, there was a decrease of approximately S$2.3 million from 31 May 2024 to 28 February 2025, primarily due to an increase in the net cash used in operating activities.

The Group did not have any bank loans or overdrafts. Its liabilities mainly consisted of contract liabilities, lease liabilities, and payables. Both current and non-current liabilities of the Group had decreased between 31 May 2023 and 28 February 2025. Consequently, the Group's net assets had increased from approximately S$16.9 million as at 31 May 2023 to approximately S$18.5 million as at 28 February 2025.

Overall, the Group had maintained a stable financial position and strong liquidity. This stability should enable it to navigate the economic downturn, which has posed challenges to its business operations over the past two financial years.

1.3 Dividends

We have observed that the Company did not declare any dividends for the last five financial years from FY2020 to FY2024. As the Company has refrained from distributing dividends over the past consecutive five-year period, Disinterested Shareholders and Optionholders who favour dividend-paying listed issuers providing dividend yield and/or growth may consider reallocating their investments to other listed issuers that offer dividend yields. While historical payment patterns do not guarantee future performance, Disinterested Shareholders and Optionholders should take note of such historical trends when evaluating the reasonableness and fairness of the Proposal.

1.4 Industry and outlook of the Group

The Group's principal business includes providing enterprise application software and energy management system to commercial property and building owners to manage their real estate assets and facilities and to monitor their energy consumption. As disclosed in the 2024 Annual Report, the Management acknowledged that the global geopolitical uncertainties and economic challenges prevailing in major economies will continue to impact the Group's operating environment in the coming year.

During FY2023, FY2024, and 3Q2025, approximately 93.0%, 94.6%, and 93.5% of the Group's total revenue were generated in Singapore market respectively. The macroeconomic performance and property market outlook of Singapore directly influence the business operations of these property owners, thereby impacting their demand for the Group's offerings. On this basis, we have conducted independent research on the real estate industry in Singapore, where the Group's customer base primarily originates.

For our independent research on Singapore's overall economy, as well as office, industrial and logistics property and retail markets, we have reviewed a report issued by CBRE Research titled "2025 Singapore Real Estate Market Outlook" ("**CBRE Report**"). CBRE Research is part of CBRE Group, Inc which is listed on the New York Stock Exchange and according to its annual report, CBRE Group, Inc is the world's largest commercial real estate services and investments firm. It maintains an extensive research and data platform and counts nearly 90% of Fortune 100 companies and many of the world's largest institutional real estate investors as its clients. We noted that CBRE Research regularly issues market reports on global and regional markets for comprehensive range of property types including office, residential, hotels, industrial and logistics as well as retail, and their findings and forecasts are quoted by news media.

As per the CBRE Report, Singapore's economic growth is anticipated to slow down in 2025, with the Ministry of Trade and Industry (Singapore)'s forecasts suggesting an average GDP growth rate of 2.6% from 2025 to 2028, notably lower than the 4.0% GDP growth recorded in 2024. This deceleration is attributed to various external challenges, including protectionist policies under the new Donald Trump's administration, sluggish growth among key trading partners, and geopolitical tensions.

The CBRE Report highlights that in 2024, leasing volumes for Singapore's office spaces were sluggish due to high fit-out costs, workplace transformations, and ongoing hybrid work arrangements. With slower economic growth anticipated, the leasing momentum for offices in 2025 might be restrained. Office rents experienced moderate growth in 2024, with Grade A offices in the core central business district growing by 0.4% year-on-year, a slowdown from the 1.7% rental growth in 2023. The CBRE Report states that the market faces a mix of challenges and opportunities, with improvements in take-up and occupancy in the last quarter of 2024 being positive signs, although concerns persist for 2025 regarding upcoming lease expiries and low precommitment levels for new offices.

For the industrial and logistics sector, the CBRE Report indicates that leasing demand in 2024 was restrained by cost pressures and supply chain disruptions caused by external geopolitical crises. Looking ahead, uneven growth in leasing demand across various manufacturing clusters is projected for 2025. Regarding the retail sector, as stated in the CBRE Report, while demand for retail space remains strong, especially for prime units, sentiments in Singapore are slightly less optimistic in 2025 compared to the previous year. Challenges faced by retailers, such as labor shortages, increased operational costs, and e-commerce competition, contribute to this cautious outlook.

In light of the above, we concur with the Management's view that although the Group's financial performance improved from FY2023 to 3Q2025, the Group's business operations may face uncertainties in the near term due to the geopolitical tensions, slowdown in economic recovery in Singapore and the challenges and uncertainties surrounding leasing activities across commercial and industrial property markets in Singapore. Moreover, as aforementioned in the section headed "1.2 Historical financial performance of the Group" above, it appears that the enhancement in the Group's financial performance has not been reflected in the historical traded Share Price. Meanwhile, the Scheme Consideration offers an opportunity for the Disinterested Shareholders to monetise their Scheme Shares at a premium over the prevailing market price.

2. Background information of the Offeror

2.1 Information on the Offeror and its controlling shareholder

Information on The Offeror

The Offeror was incorporated on 2 October 1997 in Singapore. It was a wholly-owned subsidiary of MRI and was principally engaged in the business of real estate software as at the Latest Practicable Date.

Information on MRI

MRI is a global provider of real estate software applications and hosted solutions. MRI's purpose-built software helps address the unique operational challenges and financial accounting requirements facing commercial and residential property management operators, property sales and lettings agencies, real estate investment managers and facilities management companies. MRI serves more than 45,000 organisations across 170 countries. Founded in 1971, MRI is headquartered in Cleveland, Ohio with additional offices across the United States, United Kingdom, Canada, Australia, Hong Kong, Singapore, India and South Africa, as well as an extensive partner channel.

As at the Latest Practicable Date, MRI was held by TA Associates as to 43.21%, Harvest Partners as to 36.44%, GI Partners as to 16.32% and MRI's management team as to 4.03%.

Information on TA Associates

TA Associates is a leading global private equity firm focused on scaling growth in profitable companies. Since 1968, TA Associates has invested in more than 560 companies across its five target industries — technology, healthcare, financial services, consumer and business services. Leveraging its deep industry expertise and strategic resources, TA Associates collaborates with management teams worldwide to help high-quality companies deliver lasting value. The firm has raised US$65 billion in capital to date and has over 160 investment professionals across offices in Boston, Menlo Park, Austin, London, Mumbai and Hong Kong.

Information on Harvest Partners

Founded in 1981, Harvest Partners is an established private equity firm with over 40 years of experience investing in middle-market companies and partnering with high-quality management teams to build growing businesses. The firm's investment strategy focuses on acquiring companies in the business and industrial services, consumer, healthcare, industrials and software sectors. This strategy leverages Harvest Partners' multi-decade experience in financing organic and acquisition-oriented growth opportunities.

Information on GI Partners

Founded in 2001, GI Partners is a private investment firm with over 180 employees and offices in San Francisco, New York, Dallas, Chicago, Greenwich, Scottsdale, and London. The firm has raised more than US$44 billion and invests on behalf of leading institutional investors around the world through its private equity, real estate, and data infrastructure strategies. The real estate team focuses primarily on technology and life sciences properties as well as other specialized types of real estate. The private equity team invests primarily in companies in the healthcare, services, and software sectors. The data infrastructure team invests primarily in hard asset infrastructure businesses underpinning the digital economy.

2.2 The Offeror's intention in relation to the Company

As disclosed in the section headed "10. Intention of the Offeror with regard to the Group" in "Part VII — Explanatory Statement" of the Scheme Document, as at the Latest Practicable Date, it is the intention of the Offeror for the Group to continue to carry on its existing principal businesses, with a plan to contribute operating resources to and work with the Company over the long-term to pursue a series of transformative and innovative initiatives. Upon the implementation of the Scheme, the Offeror will conduct a review of the Group's business operations to develop a detailed plan and implement necessary changes to ensure the Group's long-term growth. However, no major changes are anticipated to be introduced in the Group's existing principal businesses in the immediate term, including significant redeployment of the Group's fixed assets.

The Offeror and the Company also have no intention of making any significant changes to employees of the Group as a result of the implementation of the Proposal (other than in the ordinary course of business).

3. Rationale of the Proposal from the perspectives of the Disinterested Shareholders, the Company and the Offeror

We have considered the rationale of the Proposal from the perspectives of the Disinterested Shareholders as well as the Company as follow.

3.1 From the perspective of the Disinterested Shareholders

Opportunities to realise investment in the Company at substantial premium to prevailing market price

The Scheme Consideration represents a substantial premium compared to the recent market trading price of the Shares, as detailed in the section titled "4.1. Historical price performance of the Shares" below. Our analysis of the historical price trend indicates that the Share price has not reached the level of the Scheme Consideration throughout the Review Period (as defined below), offering a substantial premium of approximately 112.77% over the average closing prices of the Shares during this period.

Specifically, the Scheme Consideration presents (i) approximately premium of a 266.67% over the lowest closing price of HK$0.30 per Share during the 12 months prior to and up to the Last Trading Date, and (ii) a premium of approximately 37.50% over the highest closing price of HK$0.80 per Share during the same period.

Despite the upward movements in the broader equity market, as reflected in the Hang Seng Index in the section titled "4.1. Historical price performance of the Shares" below, the Share price performance has remained stagnant for an extended period prior to a recent surge, coinciding with the publication of the R3.7 Announcement and the Announcement. We believe that the current market trading prices of the Shares are influenced by the Proposal, and any absence or withdrawal of the Proposal could potentially lead to a retreat in the Share price to pre-Announcement levels. Therefore, we concur with the Management in acknowledging that the Proposal extends Disinterested Shareholders an opportunity to monetise their Scheme Shares at a notable premium over the prevailing market price.

Opportunity for the Disinterested Shareholders to realise their investments in the low-liquidity Shares

Based on our analysis of the trading liquidity of the Shares, detailed in the section titled "4.2. Trading liquidity of the Shares" below, we observed that trading activities in the Shares were generally illiquid over the Review Period, with the average trading volume during this time representing only 0.106% of the total number of issued Shares. Consequently, Disinterested Shareholders could encounter difficulties in selling their Shares, and any sale of a significant number of Shares on the market could lead to downward pressure on Share prices.

In this respect, we concur that the Proposal represents a unique opportunity for the Disinterested Shareholders to realise their investments in the low-liquidity Shares with a certainty of return. We noticed substantial increase in trading liquidity for a couple of days before and after the Announcement, which was likely driven by the presence of the Proposal and may not be sustainable in its absence.

Uncertainties on business outlook of the Group

As discussed in the sections headed "1.4 Industry and outlook of the Group" above, the slowdown in economic recovery in Singapore and the challenges and uncertainties surrounding leasing activities across commercial and industrial property markets in Singapore may pose uncertainties to the Group's operations in the near term.

We are of the view that the Disinterested Shareholder should balance between (i) retaining a stake in the Group, the outlook of which remains uncertain as aforementioned and (ii) receiving immediate cash proceeds from a reasonable Scheme Consideration (as further analysed in the following section), the amount of which can then be deployed towards other purpose.

3.2 From the perspective of the Company and the Offeror

Avoid the costs associated with maintaining a listing platform and flexibility in reallocating resources towards the Group's business operations

Since the Company's listing on the Stock Exchange, the expenses associated with maintaining its listing status have been increasing. We noted that the Company has not conducted any fund raising through the issuance of Shares or other listed securities in the public market since listing in 2016. Given the primary objectives of a listed platform is public equity fund raising, and that the Company's initial listing goal of generating real commercial benefits has not been realised, such rising cost of maintaining listing status may not be justified.

Upon completion of the take private, the Shares will be delisted from the Stock Exchange, potentially leading to cost savings for the Company in terms of compliance and the maintenance of its listing status. The Company will also be able to reallocate resources originally applied towards the Company's administration, compliance and other matters to maintain its listing status towards the Group's business operations.

Synergistic impact stemming from the Offeror's proposed acquisition of all Scheme Shares

Upon completion of the take private, the Company will become a wholly owned subsidiary of the Offeror. Offeror's parent company, MRI, is a global provider of real estate software applications and hosted solutions. On one hand, the Offeror and the Board recognize the Company as a powerful platform for enhancing MRI's footprint in the Asia-Pacific markets. On the other hand, by leveraging the synergies with MRI and its subsidiaries, the Company is primed to further expand its enterprise application software and energy management services in the region, achieve greater client penetration, tap into MRI's expertise and global real estate software solutions, and significantly enhance its competitive edge both regionally and globally.

3.3 Section summary

In summary, the Proposal (i) on one hand provides the opportunity for the Disinterested Shareholders to realise their investment in the Company at substantial premium to prevailing market price with certainty, amidst low trading liquidity of the Shares; and (ii) on the other hand, completion of the Proposal will allow the Company to avoid further costs in maintaining a listing status which has lost its primary function as a fund-raising platform as well as to further expand its businesses with the support of MRI and its subsidiaries.

4. **The Scheme Consideration**

The table below sets out the premiums or discount of the Scheme Consideration of HK$1.10 per Scheme Share compared to various benchmarks, including historical trading prices of the Shares, and the audited and unaudited consolidated net asset value attributable to Shareholders ("**NAV**").

Comparison Metric	**Price/net asset value per Share** *HK$*	**Premium represented by the Scheme Consideration** *%*
Closing price on the Latest Practicable Date	**1.05**	**4.76**
Closing price on the Undisturbed Date (8 August 2024)	**0.40**	**175.00**
Closing price on the last trading day prior to the date of the R3.7 announcement (9 August 2024)	0.65	69.23
Average of:		
Closing price for the 5 consecutive trading days up to and including the Undisturbed Date	0.39	182.05
Closing price for the 10 consecutive trading days up to and including the Undisturbed Date	0.37	197.30
Closing price for the 30 consecutive trading days up to and including the Undisturbed Date	0.36	205.56
Closing price for the 60 consecutive trading days up to and including the Undisturbed Date	0.36	205.56
Closing price on the Last Trading Date (28 February 2025)	**0.80**	**37.50**
Average of:		
Closing price for the 5 consecutive trading days up to and including the Last Trading Date	0.68	61.76
Closing price for the 10 consecutive trading days up to and including the Last Trading Date	0.69	59.42
Closing price for the 30 consecutive trading days up to and including the Last Trading Date	0.65	69.23
Closing price for the 60 consecutive trading days up to and including the Last Trading Date	0.61	80.33

Comparison Metric	**Price/net asset value per Share** *HK$*	**Premium represented by the Scheme Consideration** *%*
Net asset value per Share pursuant to audited consolidated net asset value attributable to Shareholders as at 31 May 2024 *(Note 1)*	0.2554	330.70
Net asset value per Share pursuant to unaudited consolidated net asset value attributable to Shareholders as at 30 November 2024 *(Note 2)*	0.2609	321.62
Net asset value per Share pursuant to audited consolidated net asset value attributable to Shareholders as at 31 May 2024 *(Note 3)*	0.2600	323.08
Net asset value per Share pursuant to unaudited consolidated net asset value attributable to Shareholders as at 30 November 2024 *(Note 3)*	0.2646	315.72
Net asset value per Share pursuant to unaudited consolidated net asset value attributable to Shareholders as at 28 February 2025 *(Note 4)*	0.2679	310.60

Notes:

(1) Based on an exchange rate of HK$1 = S$0.1728 as at May 31, 2024 and the Shares in issue as at the Latest Practicable Date

(2) Based on an exchange rate of HK$1 = S$0.1721 as at November 29, 2024 and the Shares in issue as at the Latest Practicable Date

(3) Based on an exchange rate of HK$1 = S$0.1697 as at the Latest Practicable Date and the Shares in issue as at the Latest Practicable Date

(4) Based on an exchange rate of HK$1 = S$S0.1697 as at the Latest Practicable Date and the Shares in issue as at the Latest Practicable Date

Source: Website of the Stock Exchange

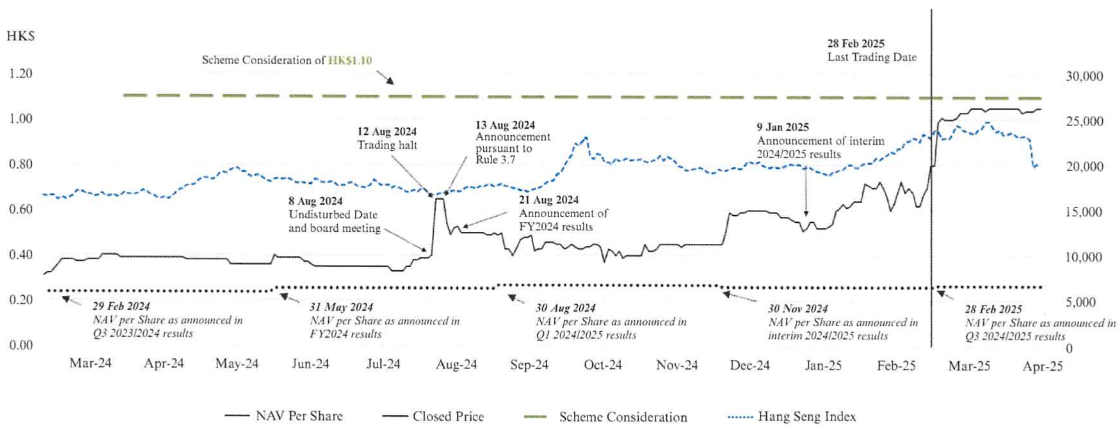
From the above, the Scheme Consideration represents (i) premiums ranging from 175.00% to approximately 205.56% to the average trading price on or 5/10/30/60 days before the Undisturbed Date; (ii) premiums ranging from approximately 37.50% to approximately 80.33% to the average trading price on or 5/10/30/60 days before the Last Trading Day; and (iii) premiums ranging from approximately 310.60% to approximately 330.70% to the Group's net asset value per Share attributable to the Shareholders pursuant to 2024 Annual Report, 2025 Interim Report and 2025 Third Quarterly Results Announcement.

According to the section headed "2. Terms of the Proposal" in "Part VII — Explanatory Statement" of the Scheme Document, the Offeror will not increase the Scheme Consideration and does not reserve the right to do so. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Scheme Consideration. We have conducted further analysis on the fairness and reasonableness of the Scheme Consideration as presented below.

4.1 Historical price performance of the Shares

Set out below is a chart illustrating the historical closing prices of the Shares as quoted on the Hong Kong Stock Exchange during the period commencing from 28 February 2024 (which is 12 months prior to the Last Trading Date) to the Last Trading Date ("**Pre-Announcement Period**"), and subsequently up to and including the Latest Practicable Date ("**Post-Announcement Period**") (collectively, the "**Review Period**"). We consider a period of approximately 12 months is adequate and representative to illustrate the recent price movements of the Shares which reflect (i) market and investors' reaction towards the latest developments of the Group, including its financial performance and position, outlook and prospects; and (ii) prevailing market sentiment. We are of the view that this allows us to conduct a meaningful and reasonable comparison between the closing prices of the Shares and the Scheme Consideration.

Closing prices of the Shares against the Scheme Consideration during the Review Period up to the Latest Practicable Date



During the Review Period, the highest and lowest closing prices of the Shares were HK$1.050 per Share, recorded between (i) 17 March 2025 to 20 March 2025, (ii) 24 March 2025 to 3 April 2025, and (iii) 11 April 2025 and 14 April 2025, and HK$0.300 per Share, recorded from 28 February 2024 to 1 March 2024. The average daily closing price per Share over the Review Period was approximately HK$0.517 per Share. The Scheme Consideration, being HK$1.10 per Scheme Share, represents a substantial premium of approximately 112.77% over such average closing price.

As illustrated in the graph above, the Scheme Consideration exceeds the closing prices of the Shares throughout the entire Review Period. During this period, the Scheme Consideration represents substantial premiums ranging from approximately 4.76% to 266.67% over the closing prices of the Shares.

We noted that during the Pre-Announcement Period up to the Last Undisturbed Date (i.e. between 28 February 2024 and 8 August 2024), the closing prices of the Shares remained relatively stable, trading within a narrow range of HK$0.30 to HK$0.40 per Share. A notable surge in both trading volume and Share price was observed on 9 August 2024, leading to a temporary halt in trading until 13 August 2024, during which the Company published the R3.7 Announcement on 12 August 2024. Thereafter, despite increased trading activity, the closing price stabilised, save for a subsequent surge on 4 December and 5 December 2024, where the Share price remained elevated at HK$0.58 per Share. Following the publication of the Company's interim results for FY2024/2025 on 9 January 2025, which recorded increases in revenues and profitability, the Share price began to exhibit an upwards trend. Notably, immediately prior to the suspension of trading in the Shares at 08:48 a.m. on 3 March 2025, the closing price had risen from HK$0.62 per Share on 25 February 2025 to HK$0.80 per Share on the Last Trading Date (i.e. 28 February 2025).

During the Post-Announcement Period, when trading resumed at 09:00 a.m. on 4 March 2025 following the publication of the Announcement, the Share price increased sharply to levels approaching the Scheme Consideration, likely reflecting market reactions to the Proposal. As at the Latest Practicable Date, the Share price closed at HK$1.05 per Share. We are of the view that the current Share price and trading activity are bolstered by the presence of the Proposal and that, in the absence or lapse of the Proposal, the Share price may retreat to levels observed prior to the Announcement or the R3.7 Announcement.

Over the Review Period, aside from the surges observed in (i) early August 2024, (ii) early December 2024, and (iii) the upwards movement from mid-January 2025 up to Last Trading Date, the closing price of the Shares generally exhibited a stable yet slightly downward trend before the Undisturbed Date. The reasons for these surges remain unclear, apart from possible market anticipatory reactions to the Company's announcements during those periods.

In addition, the Scheme Consideration represents substantial premiums over the Group's net asset value attributable to the Shareholders throughout the Review Period. In particular, the Scheme Consideration represents (i) a premium of approximately 310.60% over the Group's net asset value attributable to the Shareholders of approximately HK$0.2679 per Share pursuant to the 2025 Third Quarterly Results Announcement, the exchange rate as at the Latest Practicable Date and the Shares in issue as at the Latest Practicable Date, (ii) a premium of approximately 315.72% over to the Group's net asset value attributable to the Shareholders of approximately HK$0.2646 per Share pursuant to the 2025 Interim Report, the exchange rate as at the Latest Practicable Date and the Shares in issue as at the Latest Practicable Date; and (iii) a premium of approximately 323.08%

over to the Group's net asset value attributable to the Shareholders of approximately HK$0.2600 per Share pursuant to the 2024 Annual Report, the exchange rate as at the Latest Practicable Date and the Shares in issue as at the Latest Practicable Date.

Considering that the Scheme Consideration (i) is higher than the closing prices of the Shares throughout the entire Review Period and represents a substantial premium of approximately 112.77% over the average closing price of the Shares during the Review Period, and (ii) represents substantial premiums at approximately 320% levels to the Group's average net asset value attributable to the Shareholders throughout the Review Period, we are of the view that the Scheme Consideration is fair and reasonable from the perspective of the historical trading price of the Shares.

4.2 Trading liquidity of the Shares

Set out below is the average daily trading volume of the Shares on a monthly basis and the respective percentage of the average daily trading volume of the Shares during the Review Period as compared to the total number of issued Shares (equivalent to the total number of issued Shares held by the Disinterested Shareholders) during the Review Period.

Month	**Number of trading days**	**Average daily trading volume** *(number of Shares)*	**Approximate % of average daily trading volume to the total number of issued Shares**	**Approximate % of average daily trading volume to the total number of issued Shares held by the public**
Pre-Announcement Period				
2024				
February	2	105,000	0.026%	0.055%
March	20	77,700	0.019%	0.041%
April	20	—	0.000%	0.000%
May	21	6,286	0.002%	0.003%
June	19	789	0.000%	0.000%
July	22	70,460	0.017%	0.037%
August *(note 1)*	20	859,104	0.212%	0.411%
September	19	105,901	0.026%	0.056%
October	21	322,134	0.079%	0.170%
November	21	486,238	0.120%	0.256%
December	20	476,142	0.117%	0.251%
2025				
January	19	185,448	0.046%	0.098%
February	20	1,107,750	0.273%	0.583%
Average		**304,197**	**0.075%**	**0.160%**

Month	Number of trading days	Average daily trading volume *(number of Shares)*	Approximate % of average daily trading volume to the total number of issued Shares	Approximate % of average daily trading volume to the total number of issued Shares held by the public
Post-Announcement Period				
March *(note 2)*	21	1,717,619	0.424%	0.904%
April	9	798,889	0.197%	0.420%
Average		**1,442,000**	**0.356%**	**0.759%**
Review Period				
Min		—	**0.000%**	**0.000%**
Max		**1,717,619**	**0.424%**	**0.904%**
Average		**427,871**	**0.106%**	**0.225%**

Source: Website of the Stock Exchange

Notes:

(1) The Shares were suspended for trading from 09:00 a.m. on 12 August 2024 to 09:00 a.m. on 14 August 2024.

(2) The Shares were suspended for trading from 09:00 a.m. on 3 March 2025 to 09:00 a.m. on 4 March 2025.

As illustrated in the above table, the percentage of average daily trading volume to the total number of issued Shares (equivalent to the total number of issued Shares held by the Disinterested Shareholders) during Pre-Announcement period was relatively low. The average daily trading volume of the Shares during the Pre-Announcement Period was approximately 304,197 Shares, representing approximately 0.075% of the total number of issued Shares and approximately 0.160% of the total number of issued Shares held by the public as at the Latest Practicable Date.

We note that the trading volume of Shares increased substantially after the publication of the Announcement where during the first 7 days of the Post-Announcement Period (i.e. 4 March 2025 to 12 March 2025), the average daily trading volume of the Shares peaked at approximately 3,440,286 Shares. This activity level remained elevated throughout the Post-Announcement Period, where the average daily trading volume of the Shares amounted to approximately 1,442,000, representing approximately 0.356% of the total number of issued Shares and approximately 0.759% of the total number of issued Shares held by the public as at the Latest Practicable Date. It can be concluded that the presence of the Proposal has spurred trading activities in the Shares which otherwise had been generally illiquid during the Pre-Announcement Period.

In the absence of the Proposal, Disinterested Shareholders will only be able to dispose of their Shares on-market to realise their investment in the Company. Given the thin trading volume of Shares over the Review Period, Disinterested Shareholders may experience difficulty in disposing their Shares, and any significant sale may exert downward pressure on the Share price.

4.3 Comparable analysis

Comparable analysis involves determining the relative value of a company by comparing it to other companies in the similar industries and engaged in similar business.

Since the purpose of a market comparable analysis is to assess the fairness of the Scheme Consideration by referencing market-based benchmarks that reflect investor expectations, regulatory environment, and trading dynamics, in this regard, we believe it is most appropriate to find comparables listed on the same stock exchange as valuation metrics, such as trading multiples and premiums, are influenced by market-specific factors, including:

(i) Market conditions and investor sentiment: The valuation of publicly traded companies is influenced by the liquidity, investor base, and risk appetite specific to that stock exchange. Overseas markets may have different macroeconomic conditions, interest rate environments, and sector-specific trends that could potentially influence the company's valuation, thereby distorting comparability.

(ii) Trading dynamics and market liquidity: The liquidity and trading volume on each exchange can vary significantly. Companies listed on more liquid and actively traded exchanges may command higher market valuations due to increased ease of buying and selling shares, enhancing the perceived value of the company. Conversely, companies on less liquid exchanges might face greater volatility or lower valuations.

(iii) Regulatory and disclosure standards: HK-listed companies operate under the same legal, regulatory, and governance framework, ensuring a like-for-like comparison. Companies listed on exchanges in different countries may adhere to diverse rules, impacting their financial transparency, reporting standards, and governance practices, thereby potentially influencing the company's valuation.

In light of the above, using overseas-listed companies introduces inconsistencies due to variations in regulatory regimes, corporate governance expectations, and investor compositions, market liquidity, leading to potential distortions in valuation comparisons. Meanwhile, unlisted companies do not trade in an open market, making their valuation inherently opaque and subjective. Accordingly, we believe it is reasonable to assess the valuation of the Company based on comparable companies listed solely on the Stock Exchange, which is the same listing venue as the Company.

Accordingly, in evaluating the fairness and reasonableness of the Scheme Consideration, we focused on identifying companies listed on the Stock Exchange that: (i) primarily generate revenue in South East Asia through providing enterprise application software and/or energy management systems for commercial property and building owners to manage their real estate assets and facilities or monitor energy consumption, which is comparable to the Group's operations; and (ii) possess a market capitalisation of less than HK$1.0 billion as of the Latest Practicable Date, considering the Company's implied valuation based on the Scheme Consideration of approximately HK$447.7 million.

Despite our efforts based on the outlined criteria, we were unable to identify comparable companies listed on the Stock Exchange. We expanded criterion (ii) to include companies with a market capitalisation of less than HK$2.0 billion, yet still unable in identifying comparable companies. We believe the scarcity may be due to the specialised nature of the Group's business catering to commercial property and building owners.

Given this, for Disinterested Shareholders to better assess the fairness and reasonableness of the Scheme Consideration, we have expanded our research scope to include the followings in order to identify comparable companies to the Group on the basis that the majority of the Group's revenue is derived from offering subscription-based enterprise application software:

(i) company whose shares are listed on the Stock Exchange;

(ii) company with a market capitalisation of less than HK$2.0 billion; and

(iii) company which is involved in offering enterprise application software which are subscription based primarily in Asia.

Based on the above criteria, we have identified 10 comparable companies (the "**Comparable(s)**") as listed below. The list is exhaustive based on those selection criteria above. Cognisant that there exists no company which can be of exactly the same business model, scale of operation, trading prospect, target markets, product mix and capital structure as the Company and we have not conducted any in-depth investigation into the business and operations of the Comparables save for the aforesaid selection criteria, we believe that the Comparables selected are appropriate to serve as a benchmark reference for our comparable analysis purpose, which reflects the prevailing market sentiment towards this business sector.

To assess the fairness and reasonableness of the Scheme Consideration, we have performed analysis on the price-to-earnings ratio (the "**P/E Ratio(s)**") and price-book ratio (the "**P/B Ratio(s)**"), being common parameters in assessing a company's value, of companies which are listed on the Stock Exchange and are engaged in similar businesses of the Group for comparison purpose. Given that only three Comparables are profit-making in their respective latest financial year, we have also made reference to the price-to-sales ratio (the "**P/S Ratio(s)**") of the Comparables, being another commonly used valuation yardstick for analysis.

Stock code	Company name	Principal business	Market capitalisation(1) *(HK$000)*	Revenue(2) *(HK$000)*	Net profit/ (loss)(3) *(HK$000)*	Net asset value(4) *(HK$000)*	P/E Ratio(5) *(times)*	P/S Ratio(6) *(times)*	P/B Ratio(7) *(times)*
465	Futong Technology Development Holdings Ltd	Futong Technology Development Holdings Ltd is a company principally engaged in the provision of enterprise information technology (IT) infrastructure products, services and solutions, cloud computing products and intelligent digitalized application products. The company, together with its subsidiaries, operates its businesses through three segments. Enterprise Management Business segment engages in the provision of IT infrastructure products, cloud computing management products, services and solutions. Intelligent Health Management Business segment engages in the provision of intelligent health management Services. Intelligent Manufacturing Business segment engages in the provision of intelligent application products in manufacturing industries. The company mainly operates its businesses in the domestic market.	87,150	161,357	(75,920)	261,817	N/A	0.54	0.33
1075	Capinfo Co Ltd	Capinfo Co Ltd is a China-based company mainly engaged in the provision of information technologies and services. The company's businesses mainly include software development and service, system integration, data processing service and information professional service. The company's businesses cover digital government service, digital medical care, digital governance, and digital enterprise sectors. The company mainly conducts businesses within the domestic market.	158,772	1,578,123	(14,771)	1,208,894	N/A	0.10	0.13
1460	ICO Group Ltd	ICO Group Ltd is an investment holding company principally engaged in consulting technology-related businesses. The company operates through five business segments. The IT Infrastructure Solutions segment is engaged in the provision of IT infrastructure solutions services and the sales of hardware and software related to IT infrastructure solutions. The IT Maintenance and Support segment is engaged in the provision of IT maintenance and support services. The IT Application and Solution Development segment is engaged in the design and implementation of IT application solutions and the procurement of third-party hardware and software. The IT Secondment segment is engaged in the provision of secondment services for a fixed term under secondment service agreements. The Property Leasing and E-Commerce segment is engaged in the property leasing and e-commerce businesses.	200,091	1,076,785	16,691	573,079	11.99	0.19	0.35

Stock code	Company name	Principal business	Market capitalisation[1] (HK$000)	Revenue[2] (HK$000)	Net profit/ (loss)[3] (HK$000)	Net asset value[4] (HK$000)	P/E Ratio[5] (times)	P/S Ratio[6] (times)	P/B Ratio[7] (times)
1463	C-Link Squared Limited	C-Link Squared Limited is a Malaysia-based investment holding company. The company and its subsidiaries are principally engaged in the provision of outsourced services, including the provision of outsourced document management services and related software applications and enterprise software solutions services in Malaysia as well as the provision of outsourced insurance risk analysis services and insurance marketing services in the People's Republic of China (PRC), and the distribution and sales of medical equipment in the PRC. Its services include electronic document delivery, document print and mail fulfillment, magnetic ink character recognition (MICR) cheque print and mail fulfillment, medical identity (ID) card print and mail fulfillment, and document imaging and scanning services. The Company's subsidiaries include Coeus Systems Sdn. Bhd., Compugraphic Media Sdn. Bhd., and Qingdao Yongbao Cloud Technology Co., Ltd.	649,581	170,083	(37,580)	509,398	N/A	3.82	1.28
1561	Pan Asia Data Holdings Inc.	Pan Asia Data Holdings Inc., formerly Manfield Chemical Holdings Limited, is an investment holding company principally engaged in the three business segments, including (i) provision of big data services (continuing operation), which involves the development of big data mining, modelling and analytics in general, and the provision of digital risk management and other digital services in retail financial services; (ii) provision of third-party payment services (continuing operation) and (iii) manufacturing and trading of costings (discontinued operations).	73,516	168,832	(283,748)	(54,339)	N/A	0.44	N/A
1588	Chanjet Information Technology Co Ltd	Chanjet Information Technology Co Ltd is a China-based company principally engaged in the provision of enterprise financial software and cloud services. The company's main business is to provide platform services, application services and value-added data-based services for small- and medium-sized enterprises (MSEs) in China, with a focus on financial and business management cloud services. The company owns a series of SaaS products, including Good Accountant (intelligent cloud finance and taxation), Good Business (marketing-oriented cloud purchasing, sales and inventory management), T+Cloud (full-scenario digital business cloud application), Good Business and Finance (innovative enterprise digital management platform), Easy Accounting Agent (digital finance and taxation platform) and others. The company mainly conducts its businesses in the domestic market.	509,850	1,028,161	35,867	968,140	14.21	0.50	0.53
1632	Minshang Creative Technology Holdings Ltd[8]	Minshang Creative Technology Holdings Ltd has three operating segments including (i) IT solution business including provision and design of Software-as-a-Service ("SaaS") system, software customisation services and IT solution services in the PRC; (ii) renewable energy technology business in the PRC; and (iii) trading business in the PRC. The company has discontinued its Vietnamese-style restaurant business in Hong Kong.	150,617	7,952	(35,601)	127,591	N/A	18.94	1.18

Stock code	Company name	Principal business	Market capitalisation[1] (HK$000)	Revenue[2] (HK$000)	Net profit/ (loss)[3] (HK$000)	Net asset value[4] (HK$000)	P/E Ratio[5] (times)	P/S Ratio[6] (times)	P/B Ratio[7] (times)
2167	TI Cloud Inc	TI Cloud Inc is a China-based holding company principally engaged in the provision of artificial intelligence-based cloud customer contact solution software and related services in Software as a Service ("SaaS") model and Virtual Private Cloud ("VPC") model. The company provides artificial intelligence (AI)-based customer contact solution software and related services in the software as a service (SaaS) model and virtual private cloud (VPC) model. The company's cloud-based solutions include intelligent contact center solutions, agile agent solutions, and ContactBot solutions. The company offers a broad array of cloud-native customer contact solutions, which are communication solutions that enable enterprises to engage in multi-channel customer interactions. The company mainly conducts its businesses in the domestic market.	454,991	542,718	36,442	543,895	12.49	0.84	0.84
8131	abc Multiactive Limited[9]	ABC MULTIACTIVE LIMITED is a Hong Kong-based investment holding company principally engaged in the provision of financial services. The company operates through two business segments: Financial Solutions segment and Fintech Resources segment. The company is principally engaged in the design and sales of computer software licenses, software rental and provision of related services; provision of maintenance services; sales of computer hardware and provision of fintech resources services. The company mainly conducts its businesses in the People's Republic of China (the PRC) and Hong Kong. Through its subsidiary abc Finreg (Hong Kong) Limited, the company provides compliance and wealthtech solutions, delivering advanced tools that enable its clients to navigate complex regulatory landscapes and optimize their wealth management strategies.	39,492	41,068	(7,529)	646	N/A	0.96	61.13
9600	Newlink Technology Inc	Newlink Technology Inc is an investment holding company mainly engaged in the provision of technology-driven IT solution service based on its independently developed software products. The company mainly provides software development services, technical and maintenance services and sale of standard software. The company also focuses on the application of IT solutions, which concentrates on the application of advanced technology innovations such as artificial intelligence and big data analysis, in various fields, and continuously provides high value-added IT solution services to customers in specific industries including finance, healthcare, transportation and logistics as well as general industries. The company also provides customers with Robotic Process Automation (RPA) solutions, smart park solutions, medical and health care big data intelligent management solutions and solution services powered by a series of technologies. The company conducts its businesses in China market.	253,223	298,845	(99,103)	792,357	N/A	0.85	0.32
						High end	14.21	3.82	1.28
						Low end	11.99	0.10	0.13
						Average	12.90	0.91	0.54
						Median	12.49	0.52	0.35
8353	The Company[10]		**447,674**	**157,338**	**3,483**	**109,028**	**128.55**	**2.85**	**4.11**

Source: The website of the Stock Exchange (www.hkex.com.hk) and Comparable Companies' websites

Notes:

(1) Market capitalisation is calculated based on the share closing price times the total number of shares in issue as at the Latest Practicable Date.

(2) Revenue of the Comparables are extracted from their respective latest published annual results announcement/report prior to the Latest Practicable Date. Where applicable, for illustrative purpose, RMB has been translated into HK$ with exchange rate of RMB1.0 = HK$1.07, Malaysian Ringgit has been translated into HK$ with exchange rate of RM1.0 = HK$1.75.

(3) The net profit/(loss) attributable to shareholders of the Comparables are extracted from their respective latest published annual results announcement/report prior to the Latest Practicable Date. Where applicable, for illustrative purpose, RMB has been translated into HK$ with exchange rate of RMB1.0 = HK$1.07, Malaysian Ringgit has been translated into HK$ with exchange rate of RM1.0 = HK$1.75.

(4) The net asset value of the Comparables are extracted from their respective latest published annual/interim/quarterly results announcement/report prior to the Latest Practicable Date. Where applicable, for illustrative purpose, RMB has been translated into HK$ with exchange rate of RMB1.0 = HK$1.07, Malaysian Ringgit has been translated into HK$ with exchange rate of RM1.0 = HK$1.75.

(5) P/E Ratios of the Comparables are calculated based on their respective market capitalisation as described in note 1 above and divided by their respective net profit as described in note 3 above.

(6) P/S Ratios of the Comparables are calculated based on their respective market capitalisation as described in note 1 above and divided by their respective revenue as described in note 2 above.

(7) P/B Ratios of the Comparables are calculated based on their respective market capitalisation as described in note 1 above and divided by their net asset value as described in note 4 above.

(8) According to Minshang Creative Technology Holdings Ltd's latest annual report, the company disposed of its restaurant business and is repositioning its core focus towards the IT solutions segment. However, this segment also experienced a significant decline in revenue, decreasing by approximately 86.8%, primarily due to weakened demand amid a challenging macroeconomic environment. In light of these developments, the company's financial profile and business operations are not considered representative for the comparable analysis.

(9) We note that as at 30 November 2024, abc Multiactive Limited reported a net asset value of approximately HK$0.5 million. This represents a significant deterioration from its position in 2022, when its net asset value stood at HK$20.9 million following two consecutive years of profitability driven by the launch of its regulatory technology solution and the acquisition of a fintech resources company. However, the group returned to loss-making since 2023 citing challenging market conditions and softening demand for reasons of deterioration, a trend which persisted into 2024. The continued operating losses, together with substantial write-offs in trade receivables under expected credit loss provisions, have effectively eroded abc Multiactive Limited's net asset base. We consider the scale and consistency of abc Multiactive Limited's business are not comparable to the Company and its volatile earnings profile, materially diminished asset base, and financial instability compromise its suitability as a market comparable, and thus it has been excluded from the comparable analysis.

(10) The implied market capitalisation of the Company is calculated based on the Scheme Consideration and 406,976,128 issued Shares. The implied P/E Ratio of the Company is calculated based on the implied market capitalisation and divided by the Group's net profit attributable to owners of the Company in FY2024. The implied P/S Ratio of the Company is calculated based on the implied market capitalisation, divided by the Group's revenue for FY2024. The implied P/B Ratio of the Company is calculated based on the implied market capitalisation, divided by the Group's net asset value attributable to the Shareholders of the Company as at 28 February 2025. Where applicable, for illustrative purpose, S$ has been translated into HK$ with exchange rate of HK$1.0 = S$0.1697.

As shown in the above table, from a P/E Ratio perspective, the valuation of the Company, based on the implied market capitalisation arrived at using the Scheme Consideration, results in an implied P/E Ratio of approximately 128.55 times. This is significantly higher than the P/E Ratio of the three profit-making Comparables of approximately 14.21 times, 12.49 times and 11.99 times, respectively.

In terms of P/S Ratio, the Comparables ranged from approximately 0.10 times to 3.82 times, with a median of approximately 0.52 times and an average of approximately 0.91 times. The valuation of the Company, based on the implied market capitalisation arrived at using the Scheme Consideration, leads to an implied P/S Ratio of approximately 2.85 times, which is higher than the Comparables' median and average P/S Ratios, and within the P/S Ratio range of the Comparables.

In terms of P/B Ratio, the Company's implied P/B Ratio of approximately 4.11 times is higher than the range of the Comparables' P/B Ratios from approximately 0.13 times to 1.28 times, and is higher than the median and average of the Comparables' P/B Ratios of approximately 0.35 times and 0.54 times respectively.

From the perspective of market comparable analysis based on the commonly adopted references (i.e. P/E Ratio, P/S Ratio and P/B Ratio), it can be shown that the Scheme Consideration accorded the Company a valuation which is fair and reasonable.

4.4 The Option Offer

Details of the Option Offer are set out in "Part VII — Explanatory Statement" and "Appendix V — Form of Option Offer Letter" contained in the Scheme Document dated 17 April 2025.

In consideration for the cancellation of the Share Options, a cash offer at the Option Offer Price of HK$0.844 per Share Option will be made. The Option Offer Price at which the Option Offer will be made represents the "see-through" price, being the Scheme Consideration minus the exercise price of the Share Options (being HK$0.256).

On the basis that the Option Offer Price represented the "see-through" price between the Scheme Consideration of HK$1.100 less the exercise price of HK$0.256, we consider that the Option Offer to be fair and reasonable so far as the Optionholders are concerned.

5. Privatisation precedents

It is disclosed in "Part VII — Explanatory Statement" of the Scheme Document that the Scheme Consideration has been determined on an arm's length commercial basis after taking into account, among other things, the prices of the Shares traded on the Stock Exchange and with reference to other privatisation transactions in Hong Kong in recent years. From our perspective in this case, past privatisation transactions of companies listed on the Stock Exchange are less of a reference for assessing the fairness and reasonableness of the Scheme Consideration considering these companies are from different industries, which therefore have different market fundamentals and prospects compared to those faced by the Group at this moment. In addition, the fact that past privatisation transactions were conducted at periods of different economic, industry and financial market cycles, and depending on the outlook at that point in time, will result in different considerations for their respective shareholders at that time. There are also variations in terms of scale of operations, financial performance and position as well as trading prospects and hence difference in risk premiums afforded by the market. Accordingly, we consider it essential for the precedents to come from the same industry and within a close time frame (i.e. within the past 12 months). Having reviewed the privatisation precedents of HK listed companies from the past 12 months, we did not uncover any privatisation precedents within the Company's industry. Instead, we believe that the analysis in other sections in this letter enable the Disinterested Shareholders to make an informed assessment on the fairness and reasonableness of the Scheme Consideration.

Despite the above, for illustrative purposes and for the Disinterested Shareholders' reference only, we have set out our observations from the list of successful privatisation transactions which scheme documents were issued during the past 12 months before the Announcement (i.e. since 3 March 2024 and before the date of the Announcement). The list is exhaustive based on these criteria. Of the 19 successful privatisation transactions which scheme documents were issued since 3 March 2024 and up to the Last Trading Date, the premium of their cancellation prices over their last trading date prices had ranged from a discount of 12.2% to a premium of 162.8% with an average of 46.6% and median of 30.8%. Seven out of the 19 transactions had relevant premiums which were higher than the 37.5% premium on the Last Trading Date. The relevant premium of the Scheme Consideration as compared to the closing price on the Last Trading Date is within the range of relevant premiums of the privatisation precedents, falls around the average and exceeds the median of the privatisation precedents.

	Date of scheme document/ circular	**Stock code**	**Company name**	**Industry**	**Premium represented by the cancellation/ offer price over closing share price on the last full trading day as extracted from the respective scheme document/circular**
1.	8 March 2024	3331	Vinda International Holdings Limited	Manufacturing and sale of household paper products and personal care products	13.5%
2.	27 March 2024	1839	CIMC Vehicles (Group) Co., Ltd.	Vehicle production and sales	16.5%
3.	28 March 2024	6819	Intellicentrics Global Holdings Ltd.	Credentialing service for healthcare industry	19.3%
4.	24 May 2024	6600	SciClone Pharmaceuticals (Holdings) Limited	Biopharmaceutical industry	33.9%

	Date of scheme document/ circular	Stock code	Company name	Industry	Premium represented by the cancellation/ offer price over closing share price on the last full trading day as extracted from the respective scheme document/circular
5.	28 June 2024	0638	Kin Yat Holdings Limited	Development and production of electricaland electronic products	33.3%
6.	2 July 2024	0973	L'Occitane International S.A.	Manufacturing and retailing of beauty and well-being products	30.8%
7.	19 July 2024	0982	Huafa Property Services Group Company Limited	Property management services	30.6%
8.	29 July 2024	0800	A8 New Media Group Limited	Cultural business and property investment	162.8%
9.	28 August 2024	0292	Asia Standard Hotel Group	Holding and operating hotels, and property development	52.8%
10.	4 October 2024	0531	Samson Holding Ltd.	Manufacturing and sale of furniture, trading of furniture and procurement services	77.8%
11.	25 October 2024	8609	Eggriculture Foods Ltd.	Production and sale of egg products	125.1%
12.	19 November 2024	2115	CM Hi-Tech Cleanroom Limited	Provision of cleanroom wall and ceiling systems and cleanroom equipment	25.0%
13.	16 December 2024	1329	Beijing Capital Grand Limited	Investment property development and operation, and sale of merchandise inventories	46.6%
14.	20 December 2024	0668	Doyen International Holdings Limited	Provision of financing to customers, and sales of flowers and plants	78.6%

	Date of scheme document/ circular	Stock code	Company name	Industry	Premium represented by the cancellation/ offer price over closing share price on the last full trading day as extracted from the respective scheme document/circular
15.	3 January 2025	0592	Bossini International Holdings Limited	Apparel industry	(12.2%)
16.	22 January 2025	2207	Ronshine Service Holding Co., Ltd	Property management services	15.4%
17.	27 January 2025	8405	Hang Chi Holdings Limited	Elderly residential care	14.8%
18.	5 February 2025	1665	Pentamaster International Limited	Designing, development and manufacturing of automated test equipment and factory automation solutions	25.0%
19.	10 February 2025	1992	Fosun Tourism Group	Tourism industry	95.0%
			High end		162.8%
			Low end		-12.2%
			Average		46.3%
			Median		30.7%
		8353	**The Company — Last Trading Date**		**37.5%**

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

RECOMMENDATIONS

In summary, we have considered the below factors and reasons in arriving at our conclusion and recommendations in relation to the Proposal, the Scheme and the Option Offer.

(a) Our analysis in the section headed "**1.2 Historical financial performance of the Group**" shows that the Group's financial performance and profitability have continuously improved from FY2023 to 3Q2025 and it had maintained a stable financial position and strong liquidity position from 31 May 2023 to 28 February 2025, amidst challenges such as the global geopolitical uncertainties and economic challenges faced by the Group.

(b) As detailed in the section headed "**1.4 Industry and outlook of the Group**", although the Group's financial performance improved from FY2023 to 3Q2025, the Group's business operations may face uncertainties in the near term due to the geopolitical tensions, slowdown in economic recovery in Singapore and the challenges and uncertainties surrounding leasing activities across commercial and industrial property markets in Singapore.

(c) Our observation in the section headed "**1.3 Dividends**" shows that the Company has refrained from distributing dividends over the past consecutive five-year period. While historical payment patterns do not guarantee future performance, Disinterested Shareholders and Optionholders should take note of such historical trends when evaluating the reasonableness and fairness of the Proposal.

(d) As detailed in the section headed "**3. Rationale of the Proposal from the perspectives of the Disinterested Shareholders, the Company and the Offeror**", on one hand, the Proposal provides the opportunity for the Disinterested Shareholders to realise their investment in the Company at substantial premium to prevailing market price with certainty, amidst low trading liquidity of the Shares; and on the other hand, completion of the Proposal will allow the Company to avoid further costs in maintaining a listing status which has lost its primary function as a fund-raising platform as well as to further expand its businesses with the support of MRI and its subsidiaries.

(e) The Scheme Consideration (i) is higher than the closing prices of the Shares throughout the entire Review Period and represents a substantial premium of approximately 112.77% over the average closing price of the Shares during the Review Period, and (ii) represents premiums at approximately 320% levels to the Group's net asset value attributable to the Shareholders throughout the Review Period, we are of the view that the Scheme Consideration is fair and reasonable from the perspective of the historical trading price of the Shares, as detailed in the section headed "**4.1 Historical price performance of the Shares**".

(f) The trading volume of the Shares had been generally thin during the Review Period as detailed in the section headed "**4.2 Trading liquidity of the Shares**" and the Proposal provides an opportunity for the Disinterested Shareholders to realise their investment in the Company for cash at the fixed Scheme Consideration regardless of the number of Shares they hold without exerting downward pressure on the market price of the Shares.

(g) The comparable analysis based on commonly adopted parameters and selection criteria as detailed in the section headed "**4.3 Comparable analysis**" shows that (i) the implied P/E Ratio based on the Scheme Consideration is significantly higher than the P/E of the two profit-making Comparables; (ii) the implied P/S Ratio is higher than the respective Comparables' median and average P/S Ratios and within the Comparables' P/S Ratios range; and (iii) the Company's implied P/B Ratio exceeds the Comparables' P/B Ratios.

(h) The Option Offer Price represented the "see-through" price between the Scheme Consideration of HK$1.100 less the exercise price of HK$0.256, as detailed in the section headed "**4.4 The Option Offer**".

In light of the above, we are of the opinion that the Proposal, the Scheme and the Option Offer are fair and reasonable so far as the Disinterested Shareholders and Optionholders are concerned. We advise the Independent Board Committee to recommend that (a) the Disinterested Shareholders to vote in favour of the Scheme at the Court Meeting; and (b) Optionholders to accept the Option Offer.

Disinterested Shareholders are reminded that they should make their decisions to dispose of or retain their investments in the Shares, having regard to their own circumstances and investment objectives and are reminded to closely monitor the market price and liquidity of the Shares during the Offer Period, and they may consider selling their Shares in the open market, where possible, if the net proceeds (after deducting all transaction costs) exceed the net amount to be received under the Proposal.

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

Yours faithfully,
For and behalf of
Altus Capital Limited

Arnold Ip
Responsible Officer

Charlotte Khoo
Responsible Officer

*Mr. Arnold Ip ("**Mr. Ip**") is a Responsible Officer of Altus Capital Limited licensed to carry on Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and permitted to undertake work as a sponsor. He is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Mr. Ip has over 30 years of experience in banking, corporate finance advisory and investment management. In particular, he has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance advisory transactions.*

*Ms. Charlotte Khoo ("**Ms. Khoo**") is a Responsible Officer of Altus Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. Ms. Khoo has over 10 years of experience in corporate finance and advisory in Hong Kong, in particular, she has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance transactions. Ms. Khoo is a certified public accountant of the Hong Kong Institute of Certified Public Accountants.*