

23 September 2025

*To: The independent board committee of OneConnect Financial Technology Co., Ltd.*

Dear Sirs,

**(1) PROPOSAL FOR THE PRIVATISATION OF  
ONECONNECT FINANCIAL TECHNOLOGY CO., LTD.  
BY WAY OF A SCHEME OF ARRANGEMENT  
(UNDER SECTION 86 OF THE COMPANIES ACT); AND  
(2) PROPOSED WITHDRAWAL OF LISTING OF  
ONECONNECT FINANCIAL TECHNOLOGY CO., LTD.**

**INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Proposal and the Scheme, details of which are set out in the Scheme Document dated 23 September 2025 jointly issued by the Offeror and the Company to the Shareholders, of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Scheme Document unless the context requires otherwise.

With reference to the Explanatory Memorandum, on 15 May 2025, the Offeror requested the Board to put forward the Proposal to the holders of the Scheme Shares (including Scheme Shares underlying the ADS) for the privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Act, subject to the satisfaction of the Pre-Condition and the satisfaction or waiver of the Conditions, as applicable. The Pre-condition was satisfied on 9 July 2025.

An Independent Board Committee comprising Dr. Yaolin Zhang, Mr. Tianruo Pu, Mr. Wing Kin Anthony Chow and Mr. Koon Wing Ernest Ip (being all non-executive Directors, excluding Mr. Michael Guo, Ms. Xin Fu, Mr. Wenwei Dou and Ms. Wenjun Wang, the non-executive Directors who are also directors and/or senior management of Ping An Group and/or its subsidiaries and are therefore considered being not independent to be members of the

Independent Board Committee) has been formed to advise the Disinterested Holders as to whether the Proposal and the Scheme are, or are not, fair and reasonable and as whether such Disinterested Holders, voting at the Court Meeting and the Extraordinary General Meeting, should vote for or against the Scheme and the related matters. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee in this respect, and our opinion herein is solely for the assistance of the Independent Board Committee in connection with its consideration of the Proposal and the Scheme pursuant to Rule 2.1 of the Takeovers Code. The appointment of Gram Capital as the Independent Financial Adviser has been approved by the Independent Board Committee.

## INDEPENDENCE

There was no relationship or interests between Gram Capital and the Company, the Offeror, and their respective controlling shareholders; and Gram Capital was not in the same group as the financial or other professional advisers (including a stockbroker) to the Company or the Offeror, during the past two years immediately preceding 3 March 2025 up to and including the Latest Practicable Date, of a kind reasonably likely to create, or to create the perception of, a conflict of interest or reasonably likely to affect the objectivity of Gram Capital's advice and to act as the Independent Financial Adviser to the Independent Board Committee.

## BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee, we have relied on the statements, information, opinions and representations contained or referred to in the Scheme Document and the information and representations as provided to us by the Directors and the Offeror (where applicable). We have assumed that all information and representations that have been provided by the Directors and the Offeror, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date, and should there be any material changes to our opinion after the Latest Practicable Date, Shareholders would be notified as soon as possible. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors and the Offeror in the Scheme Document were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Scheme Document, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors and the Offeror, which have been provided to us. Our opinion is based on the Directors' and the Offeror's representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Proposal. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 2 of the Takeovers Code.

Your attention is drawn to the responsibility statements as set out in the sections headed “1. RESPONSIBILITY STATEMENT” of Appendix II and “1. RESPONSIBILITY STATEMENT” of Appendix III to the Scheme Document. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Scheme Document, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, the Offeror or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Proposal and the Scheme.

We have assumed that the Proposal and the Scheme will be consummated in accordance with the terms and conditions set forth in the Scheme Document without any waiver, amendment, addition or delay of any terms or conditions. We have assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents as required for the Proposal and the Scheme, no delay, limitation, condition or restriction will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived from the Proposal and the Scheme. In addition, our opinion is necessarily based on the financial, market, economic, industry-specific and other conditions as they existed on, and the information made available to us as at the Latest Practicable Date. The Shareholders will be notified of any material changes as soon as possible in accordance with Rule 9.1 of the Takeovers Code.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly and fairly extracted, reproduced or presented from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

## **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our opinion in respect of the Proposal and the Scheme, we have taken into consideration the following principal factors and reasons:

### **(1) Background and terms of the Proposal and the Scheme**

On 15 May 2025, the Offeror requested the Board to put forward the Proposal to the holder of the Scheme Shares (including Scheme Shares underlying the ADSs) for the privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Act, subject to the satisfaction of the Pre-Condition and satisfaction or waiver of the Conditions, as applicable, which, if approved and implemented, will involve the cancellation of the Scheme Shares and, in consideration thereof, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share, and the withdrawal of the listing of the Shares on the Stock Exchange and of the ADSs on the NYSE. The Pre-condition was satisfied on 9 July 2025.

Upon the Scheme becoming effective:

- (a) the Scheme Shares (including Scheme Shares underlying the ADSs) will, on the Effective Date, be cancelled and extinguished. Contemporaneously with such cancellation and extinguishment, the issued share capital of the Company will be restored to its former amount by the issuance at par to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled. The reserve created in the Company's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so issued, credited as fully paid, to the Offeror; and
- (b) the Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules. In addition, the listing of the ADSs on the NYSE will be withdrawn in accordance with Rule 12d2-2 under the General Rules and Regulations of the Exchange Act.

With reference to the Explanatory Memorandum, as at the Latest Practicable Date, (i) the issued share capital of the Company comprises 1,169,980,653 Shares (including 267,782,346 Shares that are represented by 8,926,078 ADSs as at the Latest Practicable Date), of which 816,903,297 Shares held by Shareholders other than the Offeror are regarded as Scheme Shares; and (ii) the Company has 6,080,998 Options and 15,623,355 PSUs outstanding. Save for the aforesaid, the Company has no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue.

With reference to the letter from the Board as contained in the Scheme Document, the Offeror intends to finance the cash requirement for the Proposal through its internal cash resources and/or financing. Morgan Stanley, the financial adviser to the Offeror in connection with the Proposal, is satisfied that sufficient financial resources are available to the Offeror for discharging its payment obligations in respect of the cash consideration payable under the Proposal.

On 15 May 2025, the Offeror received a non-binding letter of support from M&G, in respect of 23,193,000 Shares represented by 773,100 ADSs (representing approximately 1.98% of the issued share capital of the Company, approximately 7.98% of the issued share capital of the Company held by the Disinterested Holders and approximately 87.81% of Shares held by M&G as of the Latest Practicable Date), confirming its non-binding intention to vote in favour of the resolutions proposed at the Court Meeting and the Extraordinary General Meeting to approve and implement the Proposal and the Scheme.

On 19 September 2025, the Offeror received a non-binding letter of support from M&G, in respect of 26,412,000 Shares represented by 880,400 ADS (representing approximately 2.26% of the issued share capital of the Company, approximately 9.09% of the issued share capital of the Company held by the Disinterested Holders and all the Shares held by M&G as

of the Latest Practicable Date), confirming its non-binding intention to vote in favour of the resolutions proposed at the Court Meeting and the Extraordinary General Meeting to approve and implement the Proposal and the Scheme.

On 20 June 2025 and 17 September 2025 respectively, SVF executed non-binding letters of support in respect of 11,555,097 Shares (representing approximately 0.99% of the issued share capital of the Company, approximately 3.98% of the issued share capital of the Company held by the Disinterested Holders and all of the Shares held by SVF as of 17 September 2025), confirming its non-binding intention to vote in favour of the resolutions proposed at the Court Meeting and the Extraordinary General Meeting to approve and implement the Proposal and the Scheme. The Offeror received the non-binding letters of support on 21 June 2025 and 17 September 2025 respectively.

**As the letters of support from M&G and SVF are non-binding, they are free to vote against the Proposal at the Court Meeting and the Extraordinary General Meeting and/or sell or otherwise dispose of their holding in the Shares.**

No offer will be made to the Options and PSUs granted (including both vested and unvested) under the Stock Incentive Plan as the corresponding Shares were already issued to the Trustee. All Shares held by the Trustee (consisting of the Trustee Held Awarded Shares and the Trustee Held Pool Shares) on the Record Date shall form part of the Scheme Shares and be cancelled upon the Scheme becoming effective.

## **(2) Information on the Group**

With reference to the Explanatory Memorandum, the Group is a technology-as-a-service provider for the financial services industry in China with an expanding international presence. The Company provides integrated technology solutions to financial institutional customers in both the PRC and overseas, including digital banking solutions and digital insurance solutions.

As of 31 December 2024, the Company has expanded its overseas presence to 20 countries and territories, including the Southeast Asian region. The Company also provides digital infrastructure for financial institutions through the Gamma Platform, which is a business segment of the Company and serves as a foundation for digital transformation through “AI + Data” integration, empowering financial institutions and overseas regulatory agency customers to optimize operational efficiency. The Company’s solutions and platform help financial institutions expedite their digital transformation and ensure their sustainability.

With reference to the Company’s annual report for the year ended 31 December 2024 (the “**2024 Annual Report**”), on 2 April 2024, the Group completed the disposal of the entire issued share capital of Jin Yi Tong Limited (the “**Disposal Company**”), a company indirectly holds 100% of the issued share capital of Ping An OneConnect Bank (Hong Kong) Limited, which operated the Group’s virtual banking business, to Lufax Holding Ltd (stock code: 6623, “**Lufax**”), being a company affiliated with Ping An Group. Upon closing, the Group ceased its virtual banking business and the financial results of the Group’s virtual banking business were

re-presented as discontinued operation and were grouped under the line item “profit/(loss) from discontinued operation” in the Group’s consolidated financial statement for FY2024. As a result, the Group’s technology solutions business (comprising the provision of digital banking solutions, digital insurance solutions and the operation of the Gamma platform (a technology infrastructural platform) for financial institutions) remained as the Group’s only continuing operation as presented in the Group’s consolidated financial statements.

### *Financial information*

Set out below is a summary of the Group’s audited consolidated financial performance for each of the two years ended 31 December 2024, as extracted from the 2024 Annual Report:

|   | For the year ended<br>31 December 2024<br>("FY2024")<br>RMB'000<br>(audited) | For the year ended<br>31 December 2023<br>("FY2023")<br>RMB'000<br>(audited) | Year on<br>year change<br>% |
|---|--|--|-----------------------------|
| Revenue from continuing operation           | 2,248,103  | 3,521,591  | (36.16)                     |
| – from Ping An Group and Lufax              | 1,307,064  | 2,360,112  | (44.62)                     |
| – from third-party customers                | 941,039  | 1,161,479  | (18.98)                     |
| Gross profit from continuing operation      | 804,497  | 1,326,017  | (39.33)                     |
| Gross margin from continuing operation      | 35.79%   | 37.65%   |                             |
| Operating loss from continuing operation    | (303,533)  | (217,285)  | 39.69                       |
| Loss for the year from continuing operation | (704,706)  | (220,103)  | 220.17                      |
| Profit/(loss) from discontinued operation   | 209,499  | (151,373)  | (238.40)                    |
| Loss for the year                           | (495,207)  | (371,476)  | 33.31                       |

As depicted from the above table, the Group’s revenue from continuing operation (namely, the technology solutions business) decreased by approximately 36.16% from approximately RMB3,522 million for FY2023 to approximately RMB2,248 million for FY2024. Majority of the Group’s revenue for FY2023 and FY2024 was derived from Ping An Group and Lufax. With reference to the 2024 Annual Report and as advised by the Directors, the aforesaid decrease in the Group’s revenue from continuing operation was primarily due to the gradual discontinuation of the Group’s cloud services since July 2024 (the Group’s revenue from cloud services platform decreased by 50.39% from

approximately RMB1,246 million for FY2023 to approximately RMB618 million for FY2024) caused by the cessation on the use of the Group's cloud services by Ping An Group as further explained under the sub-section headed "Outlook of the Group" below.

The Group's research and development expenses decreased by approximately 46.51% from approximately RMB955 million for FY2023 to approximately RMB511 million for FY2024. With reference to the 2024 Annual Report and as advised by the Directors, the research and development expenses for FY2023 were primarily spent on the development of the Group's cloud services platform and the decrease in the Group's research and development expenses for FY2024 as compared to that for FY2023 was primarily due to the gradual discontinuation of the Group's cloud services caused by the cessation on the use of the Group's cloud services by Ping An Group. As a result, the Group had taken a return-on-investment-oriented approach to manage its research and development projects.

As a result of the decrease in revenue from continuing operation, the Group's gross profit for FY2024 from continuing operation decreased by approximately 39.33% as compared to that for FY2023, while the Group's gross margin for FY2024 from continuing operation decreased by approximately 1.86 percentage points as compared to that for FY2023. Such decrease in gross profit, as partially offset by decrease in expenses such as research and development expenses, led to the corresponding increase in the Group's operating loss from continuing operation.

The Group's loss increased by approximately 33.31% from approximately RMB371 million for FY2023 to approximately RMB495 million for FY2024. With reference to the 2024 Annual Report, such increase was mainly due to:

- that the Group's loss from continuing operation increased significantly by RMB485 million or 220.17% from approximately RMB220 million for FY2023 to approximately RMB705 million for FY2024, primarily attributable to (i) the increase in operating loss of approximately RMB86 million as aforementioned; and (ii) the significant increase in income tax expenses of approximately RMB446 million due to the derecognition of deferred tax assets (being an accounting treatment on the recognition or derecognition of deferred tax assets after reassessment of its recoverable amounts), partially offset by the increase in net finance income of approximately RMB45 million; and
- the Group's profit from discontinued operation of approximately RMB209 million for FY2024 as opposed to the loss from discontinued operation of approximately RMB151 million for FY2023, primarily due to the after-tax gain on disposal of the Disposal Company of approximately RMB260 million.

Set out below is a summary of the Group's unaudited consolidated financial performance for the six months ended 30 June 2025, as extracted Company's interim report for the six months ended 30 June 2025 (the "2025 Interim Report"):

|   | For the six<br>months ended<br>30 June 2025<br>("1H2025")<br>RMB'000<br>(unaudited) | For the six<br>months ended<br>30 June 2024<br>("1H2024")<br>RMB'000<br>(unaudited) | Year on<br>year change<br>% |
|---|---|---|-----------------------------|
| Revenue from continuing operation             | 801,157   | 1,415,769   | (43.41)                     |
| – from Ping An Group and Lufax                | 384,046   | 935,599   | (58.95)                     |
| – from third-party customers                  | 417,111   | 480,170   | (13.13)                     |
| Gross profit from continuing operation        | 209,161   | 525,782   | (60.22)                     |
| Gross margin from continuing operation        | 26.11%  | 37.14%  |                             |
| Operating loss                                | (105,691)   | (105,502)   | 0.18                        |
| Loss for the period from continuing operation | (85,713)  | (81,458)  | 5.22                        |
| Profit from discontinued operation            | Nil   | 209,499   | (100.00)                    |
| Profit/(loss) for the period                  | (85,713)  | 128,041   | N/A                         |

The Group's revenue from continuing operation for 1H2025 decreased by approximately 43.41% as compared to that for 1H2024. The Group's revenue from cloud services platform for 1H2025 was approximately RMB2.3 million, representing a decrease of approximately 99.61% as compared to that for 1H2024. The aforesaid decrease in the Group's revenue for 1H2025 as compared to that for 1H2024 was primarily attributable to significant decrease in revenue from Ping An Group and Lufax as a result of the Discontinuation (as defined and further explained below). Without taking into account the Group's revenue from cloud services platform, the Group's revenue was approximately RMB799 million for 1H2025, representing a decrease of approximately 1.18% as compared to that for 1H2024.

As a result of the decrease in revenue from continuing operation, the Group's gross profit for 1H2025 from continuing operation decreased by approximately 60.22% as compared to that for 1H2024, while the Group's gross margin from continuing operation decreased from approximately 37.14% for 1H2024 to approximately 26.11% for 1H2025, representing a decrease of approximately 11.03 percentage points.



The aforesaid significant decrease in the Group's revenue and gross profit from continuing operation for 1H2025 was offset by decrease in research and development expenses and general and administrative expenses. Accordingly, the Group's operating loss for 1H2025 remained similar to that for 1H2024. In addition, the Group's loss for 1H2025 from continuing operation was approximately RMB85.7 million, representing an increase of approximately 5.22% as compared to that for 1H2024. As a result of the aforesaid factors and the absence of profit from discontinued operations attributable to owners of the Company for 1H2025 (in contrast of approximately RMB209.5 million for 1H2024) (due to completion of disposal of the entire issued share capital of the Disposal Company on 2 April 2024), the Group recorded loss attributable to owners of the Company for 1H2025 as opposed to profit attributable to owners of the Company for 1H2024.

Set out below is a summary of the Group's consolidated financial position as at 31 December 2023 and 2024, as extracted from the 2024 Annual Report, and as at 30 June 2025 as extracted from the 2025 Interim Report:

|   | As at<br>30 June 2025<br>RMB'000<br>(unaudited) | As at<br>31 December 2024<br>RMB'000<br>(audited) | As at<br>31 December 2023<br>RMB'000<br>(audited) |
|---|---|---|---|
| <b>Total assets</b>   | <b>3,727,470</b>                                | <b>3,967,252</b>                                  | <b>8,068,358</b>                                  |
| – Intangible assets   | 182,559   | 195,636   | 471,371   |
| – Trade receivables, contract assets and prepayment and other receivables         | 916,324   | 918,682   | 1,718,848   |
| – Financial assets measured at fair value (including derivative financial assets) | 1,082,608                                       | 495,372   | 3,189,350   |
| – Other financial assets from virtual bank  | Nil   | Nil   | 3,081   |
| – Restricted cash and time deposits over three months                             | 801,934   | 51,940  | 452,883   |
| – Cash and cash equivalents   | 385,031   | 1,947,922   | 1,379,473   |
| – Others  | 359,014   | 357,700   | 853,352   |
| <b>Total liabilities</b>  | <b>1,319,530</b>                                | <b>1,463,309</b>                                  | <b>5,120,566</b>                                  |
| – Trade and other payables  | 927,610   | 1,004,512   | 2,009,571   |
| – Payroll and welfare   | 235,794   | 311,190   | 385,908   |
| – Short-term borrowings   | 20,658  | 19,160  | 251,732   |
| – Customer deposits   | Nil   | Nil   | 2,261,214   |
| – Other financial liabilities from virtual bank                                   | Nil   | Nil   | 54,373  |
| – Others  | 135,468   | 128,447   | 157,768   |
| <b>Net assets</b>   | <b>2,407,940</b>                                | <b>2,503,943</b>                                  | <b>2,947,792</b>                                  |
| <b>Net assets attributable to equity owners of the Company</b>                    | <b>2,469,667</b>                                | <b>2,558,452</b>                                  | <b>2,966,771</b>                                  |

The Group's total assets decreased from approximately RMB8,068 million as at 31 December 2023 to approximately RMB3,967 million as at 31 December 2024; while the Group's total liabilities decreased from approximately RMB5,121 million as at 31 December 2023 to approximately RMB1,463 million as at 31 December 2024, primarily due to the disposal of the Disposal Company resulted in the discontinuation of the Group's virtual banking business. The Group's total assets and total liabilities as at 30 June 2025 further decreased by approximately 6.04% and 9.83% respectively as compared to those as at 31 December 2024. As advised by the Directors, (i) the further decrease in the Group's total assets was primarily a result of (a) the net decrease in Monetary Assets (as defined below) due to the refund of trade deposits to customers and the payment of year-end bonus; and (b) the decrease in value of derivative financial assets; and (ii) the further decrease in the Group's total liabilities was primarily a result of (a) the decrease in trade and other payables due to the refund of trade deposits to customers; and (b) the decrease in payroll and welfare due to the payment of year-end bonus.

As depicted from the above table, the Group's assets primarily consisted of monetary assets (i.e. financial assets measured at fair value, restricted cash, time deposit over three months and cash and cash equivalent) ("**Monetary Assets**") and operating-related receivables (i.e. trade receivables, contract assets and prepayment and other receivables). Monetary Assets accounted for approximately 62.24%, 62.90% and 60.89% of the Group's total assets as at 31 December 2023, 31 December 2024 and 30 June 2025, respectively; whereas the Group's operating-related receivables accounted for approximately 21.30%, 23.16% and 24.58% of the Group's total assets as at 31 December 2023, 31 December 2024 and 30 June 2025, respectively.

As at 30 June 2025, the Group's equity attributable to owners of the Company and Net Tangible Asset Value Attributable To the Shareholders were approximately RMB2,470 million and RMB2,287 million respectively.

### *Outlook of the Group*

As the Group is a technology-as-a-service provider for the financial services industry in the PRC, the Group's business is largely dependent on the prospects of the financial services industry.

On 29 December 2021, the People's Bank of China issued the FinTech Development Plan (2022-2025) (《金融科技發展規劃(2022-2025年)》, the "**Development Plan**"), which outlined the strategic roadmap of the PRC for advancing financial technology and accelerating the digital transformation of financial institutions over the four-year period. The Development Plan sets out major goals to be achieved by 2025, including deepen financial sector digital transformation and data utilisation, building advanced digital infrastructures, enhancing regulatory technology and cross-sector collaboration, by (1) improving fintech ethics and data security frameworks; (2) unlocking data value via sharing and privacy-preserving technology; (3) developing resilient networks, cloud platforms and internet-of-things systems; (4) boosting research and development in artificial intelligent and quantum computing; (5) upgrading services such as smart banking and supply chain finance; (6) expanding digital services for small and medium-sized enterprises, rural areas and elderly populations; (7) implementing penetrative supervision for fintech risks; and (8) cultivating fintech professionals and global-standard systems.

According to Guiding Opinions on Digital Transformation of the Banking and Insurance Industry (《關於銀行業保險業數字化轉型的指導意見》, the “**2022 Guiding Opinion**”) published by the China Banking and Insurance Regulatory Commission on 10 January 2022, with an aim to guide and accelerate the digital transformation of China’s banking and insurance sectors. By 2025, financial institutions are expected to achieve significant progress in digitising services, improving data governance, and enhancing risk management while ensure inclusivity for underserved groups. To achieve digital transformation, the 2022 Guiding Opinion sets out key implementation areas within the industry, including (1) building centralised data platforms, improving artificial intelligent and big data applications to ensure technology autonomy; (2) modernise IT infrastructures such as cloud and distributed systems; and (3) accelerating the digital transformation of personal financial services by leveraging technology to enhance accessibility, efficiency and inclusivity by expanding online channels and enrich service scenarios (such as integrated wealth management, lending and payments) through digital tools, and developing accessible interfaces for vulnerable groups such as elderly, disabled users and minority populations.

On 27 November 2024, the People’s Bank of China, National Development and Reform Commission of the PRC, the Ministry of Industry and Information Technology of the PRC, the National Financial Regulatory Administration, the China Securities Regulatory Commission, the National Data Administration and the State Administration of Foreign Exchange jointly issued the Action Plan for Promoting High-Quality Development of Digital Finance (《推動數字金融高質量發展行動方案》, the “**2024 Action Plan**”), setting out the key objectives of accelerating the digital transformation of financial institutions to support China’s digital economy and strengthen its position as a financial powerhouse; and to improve digital financial governance, risk management and consumer protection. The 2024 Action Plan sets out key focus areas including (1) strengthen data governance, technology adoption such as artificial intelligent, the use of big data, and digital service ecosystems; (2) enhancing financial services by applying digital technologies to improve services in fintech, green finance, inclusive finance, pension finance, and smart finance; and (3) developing new digital financial infrastructures such as payment systems and data centers, and strengthen cybersecurity, data protection and anti-money laundering measures.

With the active promotion of the digital transformation of the PRC’s banking and insurance industry by the PRC government authorities in recent years, we consider the prospect of technology service providers for PRC’s financial institutions is generally positive.

As noted from the Company’s inside information announcements dated 7 May 2024 and 11 July 2024 in relation to updates on the Group’s cloud services operation, certain members of Ping An Group had notified the Company that they intended to cease to utilize the Group’s cloud services due to their adjustment of procurement strategies (the “**Cessation**”). Given that, among other factors, (i) the business model of the Group’s cloud services is highly volume-based; and (ii) the decrease in economies of scale and unsustainable levels of operational costs in providing the cloud services as a result of the Cessation, the Board came to the decision on 11 July 2024 that the Company would gradually discontinue the operation of the Group’s cloud services from July 2024 onward (the “**Discontinuation**”). As mentioned

in the sub-section headed “Financial information” above, the Group’s revenue for 1H2025 decreased significantly by approximately 43.41% as compared to that for 1H2024, particularly, the Group’s revenue from cloud services platform for 1H2025 was approximately RMB2.3 million, representing a decrease of approximately 99.61% as compared to that for 1H2024.

Despite that the proportion of the Group’s revenue from third-party customers for 1H2025 increased substantially as compared to that for 1H2024 (from approximately 33.92% for 1H2024 to approximately 52.06% for 1H2025), revenue from third-party customers remained relatively low as compared to those contributed by Ping An Group and Lufax prior to the Cessation. Furthermore, we noted that the Company had not paid any dividend since the listing of the ADSs on NYSE in December 2019.

As aforementioned, the prospect of technology service providers for PRC’s financial institutions is generally positive. Nevertheless, the Group had been loss-making for FY2023, FY2024 and 1H2025; and the Discontinuation had substantially reduced the Group’s revenue. In addition, although the Company has expanded its services to other participants in the value chain to support the digital transformation of financial services eco-system and exported its technology solutions to overseas financial institutions, the Company has not been able to meaningfully expand its third-party revenue and it remains highly dependent on revenues contributed by Ping An Group and its affiliates (approximately 67.02%, 58.14% and 47.94% of the Group’s revenue was derived from Ping An Group and Lufax for FY2023, FY2024 and 1H2025, respectively) and continues to operate as a captive company of Ping An Group. These circumstances cast material uncertainties on the Group’s business operations and its future prospect is pessimistic.

### **(3) Information on the Offeror**

With reference to the Explanatory Memorandum, the Offeror is a company incorporated in the British Virgin Islands with limited liability, and an indirect wholly-owned subsidiary of Ping An Group. The principal activity of the Offeror is investment holding. It is a controlling shareholder of the Company. Ping An Group is a company established as a joint stock company under the laws of PRC on 21 March 1988. The business of Ping An Group and its subsidiaries covers insurance, banking, investment, finance technology, medical technology and other sectors. It is listed on the Shanghai Stock Exchange (stock code: 601318) and the Stock Exchange (stock code: 2318 (HKD counter) and 82318 (RMB counter)). It is a controlling shareholder of the Company.

### **(4) Reasons for and benefits of the Proposal**

Set out below are the reasons for and benefits of the Proposal, details of which are set out under the section headed “REASONS FOR AND BENEFITS OF THE PROPOSAL” of the Explanatory Memorandum:

The Proposal provides Scheme Shareholders with an opportunity to realize their investment at a significant premium over recent market prices. The Cancellation Price of HK\$2.068 for each Scheme Share represents a premium of approximately 72.33% over the closing price of HK\$1.200 per Share as quoted on the Stock Exchange on the Last Undisturbed Day (being the last trading day prior to 28 February 2025 when there were irregular trading volumes and price movements in the Shares), and a premium of approximately 131.66%, 160.72% and 223.23% over the average closing price of approximately HK\$0.893, HK\$0.793 and HK\$0.640 per Share for the 30, 60 and 180 trading days up to and including 27 February 2025, respectively. It also represents a premium of approximately 23.10% over the closing price of HK\$1.680 per Share as quoted on the Stock Exchange on the Last Trading Day, and a premium of approximately 29.63%, 34.01% and 117.91% over the average closing price of approximately HK\$1.595, HK\$1.543 and HK\$0.949 per Share for the 30, 60 and 180 trading days up to and including the Last Trading Day, respectively. In addition, it represents a premium of approximately 9.42% over the closing price of HK\$1.89 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

For ADS holders, the Cancellation Price of approximately US\$7.972 per ADS represents a premium of approximately 83.32% over the closing price of US\$4.349 per ADS as quoted on the NYSE on 27 February 2025, and a premium of approximately 136.29%, 168.27% and 251.70% over the average closing price of approximately US\$3.374, US\$2.972 and US\$2.267 per ADS for the 30, 60 and 180 trading days up to and including 27 February 2025, respectively. It also represents a premium of approximately 20.61% over the closing price of US\$6.610 per ADS as quoted on the NYSE as at the Last Trading Day, and a premium of approximately 29.68%, 31.15% and 118.65% over the average closing price of approximately US\$6.147, US\$6.079 and US\$3.646 per ADS for the 30, 60 and 180 trading days up to and including the Last Trading Day, respectively. In addition, it represents a premium of approximately 10.72% over the closing price of US\$7.20 per ADS as quoted on the NYSE as at the Latest Practicable Date.

The Company's share price has been depressed for a prolonged period, with the ADS price having declined by more than 95% since its NYSE listing on 13 December 2019 (from US\$100.00 per ADS as recorded on 13 December 2019 (adjusted for the change in ratio of ADS to Share from one (1) ADS representing three (3) Shares to one (1) ADS represent thirty (30) Shares effective from 12 December 2022) to US\$4.39 per ADS as recorded on the Last Undisturbed Day) and the Share price having decline by more than 75% since the listing of the Shares on the Stock Exchange by way of introduction on 4 July 2022 (from HK\$5.40 per Share as recorded on 4 July 2022 to HK\$1.20 per Share recorded on the Last Undisturbed Day), partly due to structurally low levels of liquidity, diminished investor sentiment along with scarcity of broker coverage. Furthermore, trading liquidity in the Shares of the Company on the Stock Exchange has been low since the listing by introduction of the Shares of the Company in 2022, maintaining an average daily volume of 272,862 Shares per day for the period from 4 July 2022 up to and including 3 July 2023, to 230,330 Shares per day for the period from 2 January 2024 up to and including 31 December 2024. The lack of liquidity limits the attractiveness of the Shares for market participants and impacts both its price as well as Shareholders' ability to purchase and sell a significant quantity of Shares without adversely impacting the price.

We performed a trading liquidity analysis of the Shares and ADSs for the period from 1 March 2024 (being approximately one year prior to the Last Undisturbed Day) up to and including the Latest Practicable Date (the “Share Review Period”). The average daily number of the Shares and ADSs traded per month, the respective percentages of the Shares and ADSs’ average daily trading volume as compared to (i) the total number of issued Shares held by the Disinterested Holders as at the Latest Practicable Date; and (ii) the total number of Shares in issue, during the Shares Review Period are tabulated below:

| Month   | Average daily trading volume of Shares on the Stock Exchange (“SEHK Average Volume”)<br>Number of Shares | % of the SEHK Average Volume to total number of Shares in issue (including those underlying the ADSs) as at the end of the month/period % | Average daily trading volume of Shares underlying the ADSs on the NYSE (“NYSE Average Volume”)<br>Number of Shares | % of the NYSE Average Volume to total number of Shares in issue (including those underlying the ADSs) as at the end of the month/period % | % of the Combined Average Volume to the total issued Shares (including those underlying the ADSs) as at the end of the month/period % | % of the SEHK Average Volume and the NYSE Average Volume in aggregate (the “Combined Average Volume”) to the total issued Shares (including those underlying the ADSs) held by the Disinterested Holders % |
|---|--|---|--|---|---|--|
| <b>2024</b>                                   |  |   |  |   |   |  |
| March   | 151,525  | 0.013   | 635,555  | 0.054   | 0.067   | 0.271  |
| April   | 127,525  | 0.011   | 572,227  | 0.049   | 0.060   | 0.241  |
| May   | 259,679  | 0.022   | 571,857  | 0.049   | 0.071   | 0.286  |
| June  | 92,605   | 0.008   | 418,069  | 0.036   | 0.044   | 0.176  |
| July  | 61,295   | 0.005   | 236,830  | 0.020   | 0.025   | 0.103  |
| August  | 51,841   | 0.004   | 264,468  | 0.023   | 0.027   | 0.109  |
| September                                     | 318,847  | 0.027   | 3,682,493  | 0.315   | 0.342   | 1.377  |
| October                                       | 976,500  | 0.083   | 6,614,400  | 0.565   | 0.649   | 2.613  |
| November                                      | 395,437  | 0.034   | 1,146,207  | 0.098   | 0.132   | 0.531  |
| December                                      | 124,425  | 0.011   | 924,867  | 0.079   | 0.090   | 0.361  |
| <b>2025</b>                                   |  |   |  |   |   |  |
| January                                       | 210,421  | 0.018   | 748,634  | 0.064   | 0.082   | 0.330  |
| February                                      | 1,916,310  | 0.164   | 3,743,872  | 0.320   | 0.484   | 1.948  |
| March   | 1,905,155  | 0.163   | 5,677,103  | 0.485   | 0.648   | 2.610  |
| April   | 749,474  | 0.064   | 1,785,153  | 0.153   | 0.217   | 0.872  |
| May   | 1,531,425  | 0.131   | 2,147,057  | 0.184   | 0.314   | 1.266  |
| June  | 602,583  | 0.052   | 1,326,155  | 0.113   | 0.165   | 0.664  |
| July  | 491,659  | 0.042   | 1,639,988  | 0.140   | 0.182   | 0.734  |
| August  | 289,711  | 0.025   | 1,127,634  | 0.096   | 0.121   | 0.488  |
| September (up to the Latest Practicable Date) | 285,449  | 0.024   | 544,002  | 0.046   | 0.071   | 0.285  |

Source: Stock Exchange’s website and Wind Financial Terminal

Note: Trading in the Shares was halted on the Stock Exchange from 9:00 a.m. on 3 March 2025 and resumed at 9:00 a.m. on 4 March 2025.



As illustrated from the table above, the Combined Average Volume in each month ranged from approximately 0.025% to 0.649% of the total issued Shares (including those underlying the ADSs) during the Share Review Period. The Combined Average Volume in each month ranged from approximately 0.103% to 2.613% of the total issued Shares (including those underlying the ADSs) held by the Disinterested Holders during the Share Review Period.

During the Share Review Period, the SEHK Average Volume in each month was below 0.2% of the total issued Shares (including those underlying the ADSs); while the NYSE Average Volume in each month ranged from approximately 0.020% to 0.565% of the total issued Shares (including those underlying the ADSs). Majority of the Combined Average Volume was contributed by the trading volume of the ADSs on the NYSE.

Although the Shares and the ADSs are convertible to each other, the conversion is subject to certain requirements, conversion fees (which are borne by the holders requesting the conversion) and procedures as set out under the section headed “Listings, Registration, Dealing and Settlement” in the listing document of the Company dated 28 June 2022.

During the Share Review Period, trading liquidity of the Shares and the ADS was generally thin prior to the publication of the 3.7 Announcement on 3 March 2025. From the beginning of the Share Review Period and up to February 2025, save for September and October 2024 and February 2025, the Combined Average Volume in each month was less than 1% of the total issued Shares (including those underlying the ADSs) held by the Disinterested Holders. The Combined Average Volume might be stimulated by the boost in the Hong Kong stock market from late-September 2024 to early-October 2024.

In March 2025, the Combined Average Volume (which might be stimulated by the publication of the 3.7 Announcement) represented approximately 2.610% of the total issued Shares (including those underlying the ADSs) held by the Disinterested Holders. Thereafter and up to the Latest Practicable Date, the Combined Average Volume in each month represented approximately 0.285% to 1.266% of the total issued Shares (including those underlying the ADSs) held by the Disinterested Holders. Such relatively higher liquidity might be stimulated by the publication of the 3.7 Announcement and the Announcement, which may not sustain in long-term.

Having considered the future prospect of the Group’s business operation as detailed under the sub-section headed “Outlook of the Group” above and that:

- (i) majority of the Combined Average Volume was contributed by the trading volume of the ADSs on the NYSE and the conversion between the Shares and the ADS is subject to certain procedures, requirements and conversion fees (which are borne by the holders requesting the conversion);
- (ii) during the Share Review Period, trading liquidity of the Shares and the ADS was generally thin prior to the publication of the 3.7 Announcement on 3 March 2025 (save for September and October 2024 and February 2025). The relatively higher liquidity after publication of the 3.7 Announcement might be stimulated by the publication of the 3.7 Announcement and the Announcement, which may not sustain in long-term;

(iii) the Group's financial performance as demonstrated under the section headed "(2) Information on the Group" above, in particular, the significant decrease in the Group's revenue from technology solutions business (being the remaining continuing operation of the Group); and

(iv) our analysis on the Cancellation Price as set out below,

we are also of the view that the Scheme Shareholders could seize the opportunity provided by the Proposal to realise their investment in the Company for cash at premium.

## **(5) Cancellation Price**

### *Price comparison*

The Cancellation Price of HK\$2.068 per Scheme Share represents:

- (i) a premium of approximately 9.42% over the closing price of HK\$1.89 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 72.33% over the closing price of HK\$1.200 per Share as quoted on the Stock Exchange on the Last Undisturbed Day (the "LUD Premium");
- (iii) a premium of approximately 100.00% over the average closing price of approximately HK\$1.034 per Share, based on the daily closing prices as quoted on the Stock Exchange over the 15 trading days up to and including the Last Undisturbed Day ("15 Days Premium");
- (iv) a premium of approximately 131.66% over the average closing price of approximately HK\$0.893 per Share, based on the daily closing prices as quoted on the Stock Exchange over the 30 trading days up to and including the Last Undisturbed Day (the "30 Days Premium");
- (v) a premium of approximately 160.72% over the average closing price of approximately HK\$0.793 per Share, based on the daily closing prices as quoted on the Stock Exchange over the 60 trading days up to and including the Last Undisturbed Day (the "60 Days Premium");
- (vi) a premium of approximately 189.19% over the average closing price of approximately HK\$0.715 per Share, based on the daily closing prices as quoted on the Stock Exchange over the 120 trading days up to and including the Last Undisturbed Day (the "120 Days Premium");
- (vii) a premium of approximately 223.23% over the average closing price of approximately HK\$0.640 per Share, based on the daily closing prices as quoted on the Stock Exchange over the 180 trading days up to and including the Last Undisturbed Day (the "180 Days Premium");



- (viii) a premium of approximately 23.10% over the closing price of HK\$1.680 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ix) a premium of approximately 29.25% over the average closing price of approximately HK\$1.600 per Share, based on the daily closing prices as quoted on the Stock Exchange over the 15 trading days up to and including the Last Trading Day;
- (x) a premium of approximately 29.63% over the average closing price of approximately HK\$1.595 per Share, based on the daily closing prices as quoted on the Stock Exchange over the 30 trading days up to and including the Last Trading Day;
- (xi) a premium of approximately 34.01% over the average closing price of approximately HK\$1.543 per Share, based on the daily closing prices as quoted on the Stock Exchange over the 60 trading days up to and including the Last Trading Day;
- (xii) a premium of approximately 83.48% over the average closing price of approximately HK\$1.127 per Share, based on the daily closing prices as quoted on the Stock Exchange over the 120 trading days up to and including the Last Trading Day;
- (xiii) a premium of approximately 117.91% over the average closing price of approximately HK\$0.949 per Share, based on the daily closing prices as quoted on the Stock Exchange over the 180 trading days up to and including the Last Trading Day;
- (xiv) a discount of approximately 12.42% to the Group's audited net asset value attributable to the Shareholders of approximately HK\$2.361 per Share pursuant to the latest audited consolidated financial statements of the Company as at 31 December 2024, calculated based on the audited consolidated net asset value attributable to the Shareholders of RMB2,558 million (equivalent to approximately HK\$2,763 million by using an exchange rate of HK\$1 to RMB0.92604) as at 31 December 2024 and the Shares in issue as at the Latest Practicable Date;
- (xv) a discount of approximately 5.17% to the Net Tangible Asset Value Attributable To The Shareholders of HK\$2.181 per Share pursuant to the Net Tangible Asset Value Attributable To The Shareholders of RMB2,363 million (equivalent to approximately HK\$2,552 million by using an exchange rate of HK\$1 to RMB0.92604) as at 31 December 2024 and the Shares in issue as at the Latest Practicable Date;

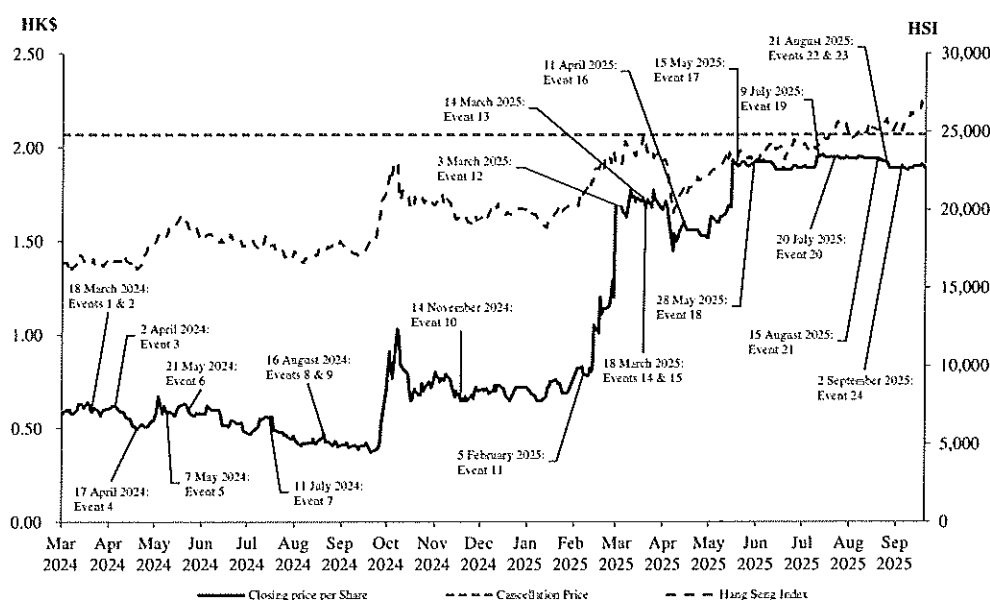
(xvi) a discount of approximately 10.66% to the Group's unaudited net asset value attributable to the Shareholders of approximately HK\$2.315 per Share (the "NAV Discount") pursuant to the latest unaudited consolidated financial statements of the Company as at 30 June 2025, calculated based on the unaudited consolidated net asset value attributable to the Shareholders of approximately RMB2,470 million (equivalent to approximately HK\$2,708 million by using an exchange rate of HK\$1 to RMB0.91195) as at 30 June 2025 and the Shares in issue as at the Latest Practicable Date; and

(xvii) a discount of approximately 3.53% to the Net Tangible Asset Value Attributable To The Shareholders of HK\$2.144 per Share (the "NTAV Discount") pursuant to the Net Tangible Asset Value Attributable To The Shareholders of approximately RMB2,287 million (equivalent to approximately HK\$2,508 million by using an exchange rate of HK\$1 to RMB0.91195) as at 30 June 2025 and the Shares in issue as at the Latest Practicable Date.

### *Historical price performance of the Shares*

Set out below is a chart showing the movement of the closing price of the Shares during the Share Review Period to illustrate the general trend and movement of the closing price of the Shares:

#### Historical daily closing price per Share



Source: the Stock Exchange's website

*Note:* Trading in the Shares was halted on the Stock Exchange from 9:00 a.m. on 3 March 2025 and resumed at 9:00 a.m. on 4 March 2025.

*Events:*

1. Inside information in relation to the unaudited financial results for the fourth quarter ended 31 December 2023
2. Annual results announcement for FY2023
3. Completion of very substantial disposal and connected transaction in relation to the disposal of the Disposal Company
4. Updates on estimated amount of gain on disposal of the Disposal Company as at the completion date
5. Inside information in relation to the intended cessation on the use of the Group's cloud services by certain members of the Ping An Group
6. Inside information in relation to the unaudited financial results for the first quarter ended 31 March 2024
7. Inside information in relation to the cessation of the use of the Group's cloud services by additional members of the Ping An Group and the Cessation
8. Inside information in relation to the unaudited financial results for the second quarter ended 30 June 2024
9. Interim results announcement for the six months ended 30 June 2024
10. Inside information in relation to the unaudited financial results for the third quarter ended 30 September 2024
11. Resignation and appointment of executive Director and chief executive officer
12. 3.7 Announcement
13. Profit warning announcement
14. Inside information in relation to the unaudited financial results for the fourth quarter ended 31 December 2024
15. Annual results announcement for FY2024
16. Resignation of company secretary and appointment of joint company secretaries
17. The Announcement
18. Inside information announcement in relation to the unaudited financial results for the first quarter ended 31 March 2025
19. Satisfaction of the Pre-Condition
20. Filing of Schedule 13E-3 (which includes an initial draft of the Scheme Document) with the SEC by the Company, the Offeror and Ping An Group
21. Filing of Schedule 13E-3 (Amendment No. 1) (which includes a revised draft of the Scheme Document) with the SEC by the Company, the Offeror and Ping An Group
22. Interim results announcement for 1H2025
23. Change of joint company secretary
24. Filing of Schedule 13E-3 (Amendment No. 2) (which includes a revised draft of the Scheme Document) with the SEC by the Company, the Offeror and Ping An Group

During the Share Review Period, the lowest and highest closing prices of the Shares as quoted on the Stock Exchange were HK\$0.375 per Share recorded on 20 September 2024 and HK\$1.96 per Share recorded from 14 July 2025. The Cancellation Price is higher than the closing prices of the Shares during the entire Share Review Period and represented premium of approximately 5.51% over the highest closing price of the Shares during the Share Review Period.

From the beginning of the Share Review Period, the closing price of the Shares formed a general decreasing trend and reached the lowest closing price of Share of HK\$0.375 on 20 September 2024. Thereafter, the closing price of Shares increased significantly over a short period of time and reached its highest closing price for 2024 of HK\$1.03 per Share on 7 October 2024, such price movement was in line with the then movement of Hang Seng Index. From 8 October 2024 to 13 February 2025, the closing price of Shares dropped and fluctuated between the range of HK\$0.65 to HK\$1.00 per Share. Subsequently, the closing price of Shares formed an increasing trend and reached HK\$1.20 on the Last Undisturbed Day.

Subsequent to the publication of the 3.7 Announcement and up to the date of the Announcement, the closing price of Shares fluctuated between the range of HK\$1.45 to HK\$1.77 per Share.

Subsequent to the publication of the Announcement and up to the Latest Practicable Date, the closing price of Shares fluctuated between the range of HK\$1.88 to HK\$1.96 per Share.

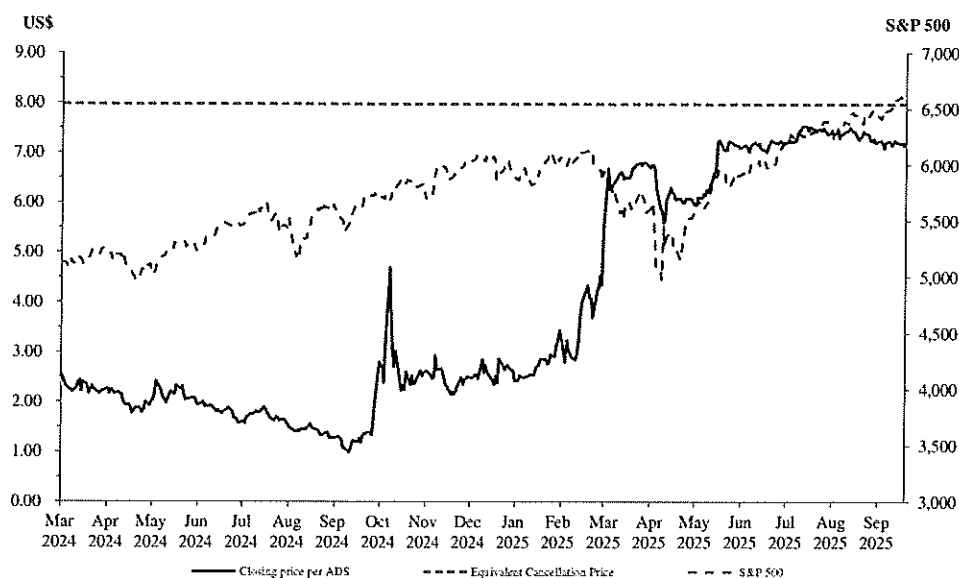
Save as the boost in the Hong Kong stock market from late-September 2024 to early-October 2024, and except for those as disclosed in the 3.7 Announcement and the Announcement, we did not identify any specific reasons which caused the aforesaid fluctuation of the closing price of the Shares.

Although the closing price per Share formed a general increasing trend from late January 2025 to the Latest Practicable Date, the closing prices per Share (i) were far below the Cancellation Price from the beginning of the Share Review Period up to the Last Undisturbed Day; and (ii) did not exceed the Cancellation Price during the entire Share Review Period.

### *Historical price performance of the ADSs*

Set out below is a chart showing the movement of the closing price of the ADSs during the Share Review Period to illustrate the general trend and movement of the closing price of the ADSs:

#### Historical daily closing price per ADS



Source: Wind Financial Terminal

Note: the conversion of US\$ into HK\$ is based on the exchange rate of US\$1 = HK\$7.7822 for illustration purpose

During the Share Review Period, the lowest and highest closing prices of the ADSs as quoted on Wind Financial Terminal were US\$0.996 per ADS recorded on 10 September 2024 (New York Time) and US\$7.53 per ADS recorded on 11 July 2025 and 14 July 2025 (New York Time). The Equivalent Cancellation Price of approximately US\$7.972 is higher than the closing prices of the ADSs during the entire Share Review Period and represented premium of approximately 5.87% over the highest closing price of the ADSs during the Share Review Period.

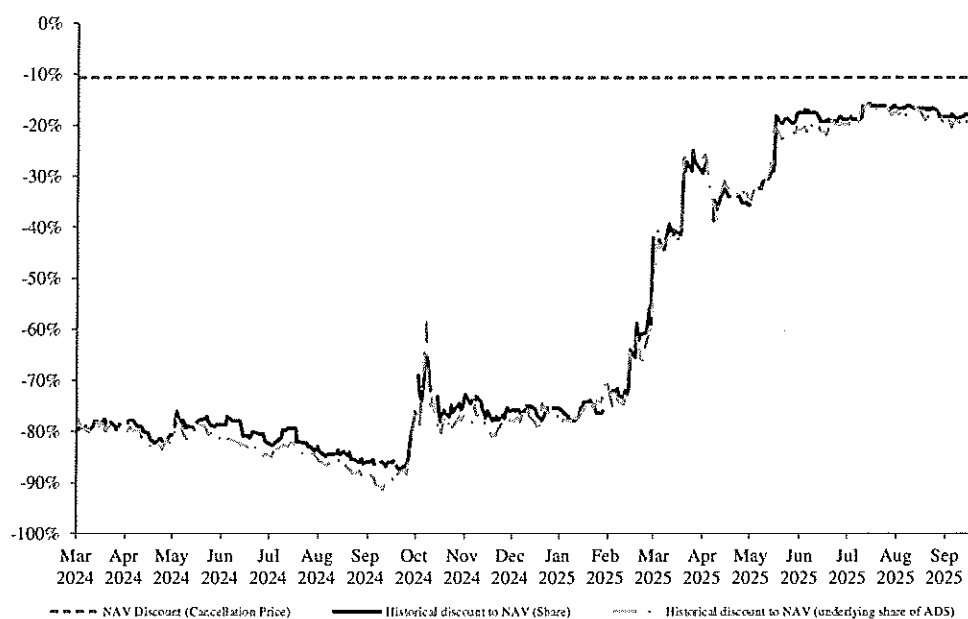
During the Share Review Period, the movement of the closing prices of the ADSs were in line with the movement of the closing prices of the Shares.

### *Historical NAV Discounts and Historical NTAV Discount*

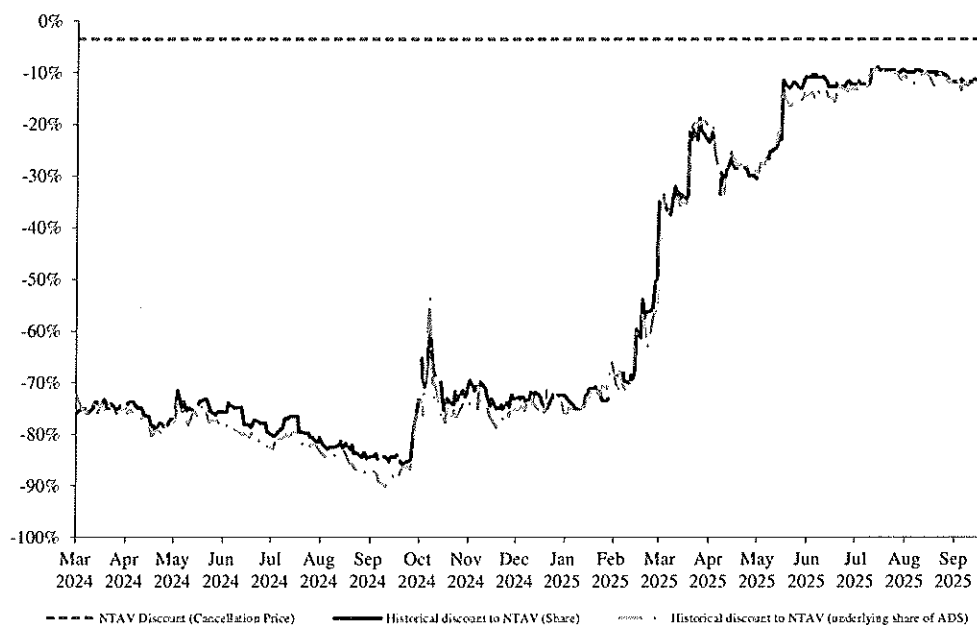
As abovementioned, the Cancellation Price represented a discount of approximately 10.66% (i.e. the NAV Discount) to the unaudited consolidated net asset value attributable to the Shareholders per Share or a discount of approximately 3.53% (i.e. the NTAV Discount) to the Net Tangible Asset Value Attributable To The Shareholders as at 30 June 2025. Accordingly, we also reviewed (i) the discounts of the closing prices of the Shares/ADSs to the then latest prevailing net asset value attributable to the Shareholders

(the “Historical NAV Discounts”); and (ii) the discounts of the closing prices of the Shares/ADS to the then Net Tangible Asset Value Attributable To The Shareholders (the “Historical NTAV Discounts”), during the Share Review Period as set out in the charts below:

#### Movement of the Historical NAV Discount



#### Movement of the Historical NTAV Discount



*Notes:*

1. The Historical NAV Discounts or the Historical NTAV Discounts from 1 March 2024 to 18 March 2024 were calculated based on the daily closing prices of the Shares and the net asset value attributable to the Shareholder of approximately RMB3,073 million or Net Tangible Asset Value Attributable To The Shareholders of approximately RMB2,580 million as at 30 September 2023, as published by the Company on 14 November 2023 and exchange rate of HK\$1 = RMB0.91763 or US\$1 = RMB7.1798 as at 28 September 2023.
2. The Historical NAV Discounts or the Historical NTAV Discounts from 19 March 2024 to 21 May 2024 were calculated based on the daily closing prices of the Shares and the net asset value attributable to the Shareholder of approximately RMB2,967 million or Net Tangible Asset Value Attributable To The Shareholders of approximately RMB2,495 million as at 31 December 2023, as published by the Company on 18 March 2024 and exchange rate of HK\$1 = RMB0.90622 or US\$1 = RMB7.0827 as at 29 December 2023.
3. The Historical NAV Discounts or the Historical NTAV Discounts from 22 May 2024 to 16 August 2024 were calculated based on the daily closing prices of the Shares and the net asset value attributable to the Shareholder of approximately RMB2,873 million or Net Tangible Asset Value Attributable To The Shareholders of approximately RMB2,529 million as at 31 March 2024, as published by the Company on 21 May 2024 and exchange rate of HK\$1 = RMB0.90655 or US\$1 = RMB7.0950 as at 29 March 2024.
4. The Historical NAV Discounts or the Historical NTAV Discounts from 19 August 2024 to 14 November 2024 were calculated based on the daily closing prices of the Shares and the net asset value attributable to the Shareholder of approximately RMB3,144 million or Net Tangible Asset Value Attributable To The Shareholders of approximately RMB2,803 million as at 30 June 2024, as published by the Company on 16 August 2024 and exchange rate of HK\$1 = RMB0.91268 or US\$1 = RMB7.1268 as at 28 June 2024.
5. The Historical NAV Discounts or the Historical NTAV Discounts from 15 November 2024 to 18 March 2025 were calculated based on the daily closing prices of the Shares and the net asset value attributable to the Shareholder of approximately RMB3,080 million or Net Tangible Asset Value Attributable To The Shareholders of approximately RMB2,746 million as at 30 September 2024, as published by the Company on 14 November 2024 and exchange rate of HK\$1 = RMB0.901798 or US\$1 = RMB7.0074 as at 30 September 2024.
6. The Historical NAV Discounts or the Historical NTAV Discounts from 19 March 2025 to 28 May 2025 were calculated based on the daily closing prices of the Shares and the net asset value attributable to the Shareholder of approximately RMB2,558 million or Net Tangible Asset Value Attributable To The Shareholders of approximately RMB2,363 million as at 31 December 2024, as published by the Company on 18 March 2025 and exchange rate of HK\$1 = RMB0.92604 or US\$1 = RMB7.1884 as at 31 December 2024.
7. The Historical NAV Discounts or the Historical NTAV Discounts from 29 May 2025 up to 21 August 2025 were calculated based on the daily closing prices of the Shares and the net asset value attributable to the Shareholder of approximately RMB2,513 million or Net Tangible Asset Value Attributable To The Shareholders of approximately RMB2,324 million as at 31 March 2025, as published by the Company on 28 May 2025 and exchange rate of HK\$1 = RMB0.92283 or US\$1 = RMB7.1782 as at 31 March 2025.
8. The Historical NAV Discounts or the Historical NTAV Discounts from 22 August 2025 up to the Latest Practicable Date were calculated based on the daily closing prices of the Shares and the net asset value attributable to the Shareholder of approximately RMB2,470 million or Net Tangible Asset Value Attributable To The Shareholders of approximately RMB2,287 million as at 30 June 2025, as published by the Company on 21 August 2025 and exchange rate of HK\$1 = RMB0.91195 or US\$1 = RMB7.1586 as at 30 June 2025.

As illustrated above, the closing prices of the Shares were at discounts to the then latest published net asset value attributable to the Shareholders per Share during the entire Share Review Period and the Historical NAV Discounts ranged from approximately

15.79% to 87.26% based on closing price of Shares or 16.11% to 91.19% based on closing price of ADS during the Share Review Period. The NAV Discount of approximately 10.66% represents a slighter discount than the Historical NAV Discounts during the entire Share Review Period.

As illustrated above, the closing prices of the Shares were at discounts to the then latest published Net Tangible Asset Value Attributable To The Shareholders per Share during the entire Share Review Period and the Historical NTAV Discounts ranged from approximately 8.93% to 85.71% based on closing price of Shares or 9.29% to 90.12% based on closing price of ADS during the Share Review Period. The NTAV Discount of approximately 3.53% also represents a slighter discount than the Historical NTAV Discounts during the entire Share Review Period.

#### *Comparison with comparable companies*

To assess the fairness and reasonableness of the Cancellation Price, we attempted to conduct trading multiple analysis with price-to-earnings ratio, price-to-book ratio (“PBR”) and price-to-sales ratio (“PSR”) (being commonly adopted trading multiples). Price-to-earnings ratio is impracticable as the Group was loss-making for FY2024.

As the Shares are listed on the Stock Exchange while the ADSs are listed on the NYSE, we searched for listed companies in Hong Kong and the United States which are principally engaged in similar line of business as the Group, being the provision of integrated technology solutions or services to financial institutional customers in the PRC, and derived a substantial portion of their revenue from such business. We only identified 3 companies listed below which met the aforesaid criteria and they are exhaustive (the “Comparable Companies”).

Given that:

- (i) the number of Comparable Companies is limited;
- (ii) PBR is typically used for companies in capital-intensive industries (such as manufacturing and financial industry) and reflects the valuation of the company’s assets by the market; and
- (iii) the implied PSR of the Proposal (calculated based on the Group’s revenue from continuing operations for a full financial year) would be distorted on the basis that the Group’s revenue for 1H2025 decreased significantly by approximately 43.41% as compared to that for 1H2024, mainly due to the decrease in revenue from Ping An Group and Lufax which was primarily led by the Discontinuation (in other words, the Group’s revenue decreased significantly from July 2024 onward and the use of the Group’s revenue for FY2024 for calculation of implied PSR would be distorted),

we consider trading multiple analysis is impracticable in this case.



Nevertheless, we set out the PBRs and PSRs of the Comparable Companies based on their closing prices and their then latest published financial information as at the date of the 3.7 Announcement, for Shareholders and ADS Holders' information:

| Company name<br>(Stock code/ticker)          | Principal business  | Proportion of<br>revenue derived<br>from the provision<br>of integrated<br>technology solutions<br>or services to<br>financial<br>institutional<br>customers in the<br>PRC | Market<br>capitalization as at<br>the date of the 3.7<br>Announcement<br>(HK\$' million) | PBR<br>(Note 1)  | PSR<br>(Note 2)  |
|--|---|--|--|------------------|------------------|
| Digial China<br>Holdings Limited<br>(861.HK) | Provision of end-to-end<br>data intelligence<br>products and solutions,<br>software and operating<br>services, systems<br>integration and supply<br>chain services to<br>financial institutions,<br>government bodies,<br>telecommunication<br>providers and others | 27%  | 5,155.7  | 0.77             | 0.26             |
| Bairong Inc.<br>(6608.HK)                    | Operation of an<br>independent AI-<br>powered technology<br>platform serving the<br>financial services<br>industry  | 67%  | 4,431.8  | 0.90             | 1.53             |
| CLPS Incorporation<br>(CLPS.NASDAQ)          | Provision of integrated<br>IT services for banks<br>and institutions in the<br>financial industry and<br>customised IT<br>solutions for general<br>enterprises  | 84%  | 246.1<br>(Note 3)  | 0.51             | 0.22             |
| Average                                      |   |  |  | 0.73             | 0.67             |
| The Company                                  |   |  | 2,419.5<br>(Note 4)  | 0.89<br>(Note 5) | 1.00<br>(Note 6) |

Source: the Stock Exchange's website and Wind Financial Terminal

*Notes:*

1. The PBRs of the Comparable Companies were calculated based on their respective then latest published net assets attributable to their shareholders, their respective closing prices as quoted on the Stock Exchange or the Nasdaq Stock Market and the total issued shares as at the date of the 3.7 Announcement.
2. The PSRs of the Comparable Companies were calculated based their respective then latest published audited revenue, their respective closing prices as quoted on the Stock Exchange or the Nasdaq Stock Market and total issued shares as at the date of the 3.7 Announcement.
3. The conversion of US\$ into HK\$ is based on the exchange rate of US\$1 = HK\$7.7822 for illustration purpose.
4. The implied market capitalisation of the Company was calculated based on the Cancellation Price and the number of shares in issue (including those underlying the ADSs) as at the Latest Practicable Date.
5. The implied PBR of the Company was calculated based on the Cancellation Price, the Group's net assets attributable to equity owners of the Company as at 30 June 2025 and the total issued Shares (including those underlying the ADSs) as at the Latest Practicable Date.
6. The implied PSR of the Company was calculated based on the Cancellation Price, the Group's audited revenue from continuing operation for FY2024 and the total issued Shares (including those underlying the ADSs) as at the Latest Practicable Date.

*Comparison with other privatisation transactions*

To further assess the fairness and reasonableness of the Cancellation Price, we searched for privatisation proposal first announced by companies listed on the Main Board of the Stock Exchange from 4 March 2024 (being approximately one year prior to the date of the 3.7 Announcement) that has been completed (i.e., obtaining the sanction of the scheme by the relevant court, achieving the required acceptance level or fulfilling the relevant conditions precedent, as the case may be) up to the Latest Practicable Date, excluding transactions involving share consideration. As consideration shares have different investment values which were based on factors such as background and industry of the subject company, the share price performance and liquidity, we consider share consideration and cash consideration are different in nature, and privatisation transactions with share consideration is not directly comparable with those with cash consideration.

We found 19 privatisation cases which met the aforesaid criteria (the “**Privatisation Cases**”) for comparison and they are exhaustive. Although the business and operation of the Group are not the same as those of the subject companies of the Privatisation Cases, the Privatisation Cases can demonstrate the market practices of privatisation transactions conducted by other Hong Kong listed companies.



| Company name (Stock code)                                     | Initial announcement date of the privatisation proposal | Premium of the offer/cancellation price over closing price on last full trading day (Note 1) | Premium/ (discount) of the offer/ cancellation price over closing price or average closing price per share for last 15 full trading days (Note 2) |                 | Premium/ (discount) of the offer/ cancellation price over closing price or average closing price per share for last 30 full trading days (Note 2) |                 | Premium of the offer/ cancellation price over closing price or average closing price per share for last 60 full trading days (Note 2) |   | Premium/ (discount) of the offer/ cancellation price over closing price or average closing price per share for last 120 full trading days (Note 2) |   | Premium/ (discount) of the offer/ cancellation price over closing price or average closing price per share for last 180 full trading days (Note 2) |   |
|---|---|--|---|-----------------|---|-----------------|---|---|--|---|--|---|
|   |   | %  | %   | %               | %   | %               | %   | % | %  | % | %  | % |
| SciClone Pharmaceuticals (Holdings) Limited (6600)            | 19 March 2024   | 33.90 (Note 3)   | 38.49 (Note 3)  | 47.47 (Note 3)  | 47.93 (Note 3)  | 58.06 (Note 3)  | 67.06 (Note 3)  |   |  |   |  |   |
| Kin Yat Holdings Limited (638)                                | 18 April 2024   | 33.33  | 53.62   | 51.52           | 53.58   | 63.45           | 73.08   |   |  |   |  |   |
| L'Occitance International S.A. (973)                          | 29 April 2024   | 30.77 (Note 3)   | 43.88 (Note 3)  | 49.93 (Note 3)  | 60.80 (Note 3)  | 52.38 (Note 3)  | 53.75 (Note 3)  |   |  |   |  |   |
| ESR Group Limited (1821)                                      | 13 May 2024   | 30.00  | 48.00   | 53.13           | 43.95   | 34.92           | 28.92   |   |  |   |  |   |
| Huafa Property Services Group Company Limited (982)           | 27 May 2024   | 30.63  | 50.88   | 70.49           | 82.28   | 90.04           | 104.95  |   |  |   |  |   |
| CPMC Holdings Limited (906)                                   | 7 June 2024   | 4.95   | 5.82  | 6.76            | 5.74  | 5.74            | 9.45  |   |  |   |  |   |
| A8 New Media Group Limited (800)                              | 12 June 2024  | 162.77   | 173.14  | 186.62 (Note 4) | 186.17 (Note 4)   | 155.50          | 125.99  |   |  |   |  |   |
| Canvest Environmental Protection Group Company Limited (1381) | 7 July 2024   | 20.69  | 18.43   | 20.85           | 21.77   | 21.27           | 23.50   |   |  |   |  |   |
| Samson Holding Ltd. (531)                                     | 16 July 2024  | 77.78 (Note 3)   | 116.70 (Note 3)   | 150.13 (Note 3) | 186.74 (Notes 3 & 4)  | 172.73 (Note 3) | 150.52 (Note 3)   |   |  |   |  |   |



| Company name (Stock code)                  | Initial announcement date of the privatisation proposal | Premium of the offer/cancellation price over closing price per share on last full trading day<br>(Note 1)<br>% | Premium/ (discount) of the offer/ cancellation price over closing price or average closing price per share for last 15 full trading days<br>(Note 2)<br>% | Premium/ (discount) of the offer/ cancellation price over closing price or average closing price per share for last 30 full trading days<br>(Note 2)<br>% | Premium of the offer/ cancellation price over closing price or average closing price per share for last 60 full trading days<br>(Note 2)<br>% | Premium/ (discount) of the offer/ cancellation price over closing price or average closing price per share for last 120 full trading days<br>(Note 2)<br>% | Premium/ (discount) of the offer/ cancellation price over closing price or average closing price per share for last 180 full trading days<br>(Note 2)<br>% |
|--|---|--|---|---|---|--|--|
| Doyen International Holdings Limited (668) | 2 September 2024  | 78.57  | 81.54   | 81.16   | 86.17   | 131.33   | 91.78  |
| CM Hi-Tech Cleanroom Limited (2115)        | 14 October 2024   | 17.92  | 29.60   | 31.30   | 40.06   | 41.40  | 37.89  |
| Beijing Capital Grand Limited (1329)       | 28 October 2024   | 46.55  | 48.78   | 41.74   | 47.85   | 80.93  | 53.54  |
| Ronshine Service Holding Co., Ltd. (2207)  | 22 November 2024  | 15.38  | (1.20)  | (5.85)  | 1.90  | (12.45)  | (13.59)  |
| Pentamaster International Limited (1665)   | 19 December 2024  | 56.25 (Note 3)   | 58.73 (Note 3)  | 53.37 (Note 3)  | 50.83 (Note 3)  | 50.24 (Note 3)   | 43.43 (Note 3)   |
| Vesync Co., Ltd. (2148)                    | 27 December 2024  | 33.33  | 42.32   | 44.37   | 36.09   | 32.27  | 24.32  |
| Tam Jai International Co. Limited (2217)   | 17 February 2025  | 75.56  | 92.21   | 96.27   | 99.57   | 93.77  | 75.79  |
| Shandong Fengxiang Co., Ltd. (9977)        | 11 April 2025   | 33.33  | 35.69   | 39.86   | 44.93   | 71.72  | 68.92  |



| Company name (Stock code)                   | Initial announcement date of the privatisation proposal | Premium of the offer/cancellation price over closing price on last full trading day (Note 1) | Premium/ (discount) of the offer/ cancellation price over closing price or average closing price per share for last 15 full trading days (Note 2) | Premium/ (discount) of the offer/ cancellation price over closing price or average closing price per share for last 30 full trading days (Note 2) | Premium of the offer/ cancellation price over closing price or average closing price per share for last 60 full trading days (Note 2) | Premium/ (discount) of the offer/ cancellation price over closing price or average closing price per share for last 120 full trading days (Note 2) | Premium/ (discount) of the offer/ cancellation price over closing price or average closing price per share for last 180 full trading days (Note 2) |
|---|---|--|---|---|---|--|--|
| Thing On Enterprise Limited (2292)          | 9 May 2025  | 30.00  | 30.00   | 30.00   | 36.17   | 20.48  | 7.28   |
| Beijing Properties (Holdings) Limited (925) | 17 June 2025  | 250.00 (Note 4)  | 238.16 (Note 4)   | 221.84 (Note 4)   | 199.79 (Note 4)   | 171.84   | 175.05 (Note 4)  |
| Maximum (excluding outlier(s), if any):     |   | 162.77   | 173.14  | 150.13  | 99.57   | 172.73   | 150.52   |
| Minimum (excluding outlier(s), if any):     |   | 4.95   | (1.20)  | (5.85)  | 1.90  | (12.45)  | (13.59)  |
| Average (excluding outlier(s), if any):     |   | 45.10  | 53.70   | 50.74   | 47.48   | 70.30  | 56.98  |
| Median (excluding outlier(s), if any):      |   | 33.33  | 45.94   | 47.47   | 46.39   | 58.06  | 53.65  |
| The Proposal                                |   | 72.33  | 100.00  | 131.66  | 160.72  | 189.19   | 223.23   |

*Notes:*

1. The premium/(discount) of cancellation price over closing price per share on last full trading day prior to the publication of initial announcement in relation to the respective privatisation, as disclosed in the respective privatisation documents.
2. The premium/(discount) of cancellation price over average closing price per share on the 15/30/60/120/180 consecutive full trading days prior to the publication of initial announcement in relation to the respective privatisation, as disclosed in the respective privatisation documents.
3. The premium as represented by the cancellation price of the relevant Privatisation Cases (namely, SciClone Pharmaceuticals (Holdings) Limited (stock code: 6600), L'Occitance International S.A. (stock code: 973), Samson Holding Ltd. (stock code: 531) and Pentamaster International Limited (stock code: 1665)) were calculated based on their respective last full trading day prior to the irregular trading volumes and price movement in the relevant shares as disclosed in the respective privatisation documents.
4. The premium as represented by the cancellation price of the relevant Privatisation Cases (namely, A8 New Media Group Limited (stock code: 800), Samson Holding Ltd. (stock code: 531) and Beijing Properties (Holdings) Limited (stock code: 925)) were exceptionally high as they are more than two standard deviations away from the mean and were considered as outliers based on the mean and standard deviation outlier detection method.

As depicted in the above table, the LUD Premium, 15 Days Premium and 30 Days Premium are within ranges of premium/discount of the Privatisation Cases and are higher than the average and median of the Privatisation Cases; while the 60 Days Premium, 120 Days Premium and 180 Days Premium are above the ranges of premium/discount of the Privatisation Cases.

Despite that the Cancellation Price represented the NAV Discount of approximately 10.66% and the NTAV Discount of approximately 3.53%, having taken into account that:

- (i) the Cancellation Price is higher than the closing price of the Shares during the entire Share Review Period and represents a premium of approximately 5.51% to the highest closing price during the Share Review Period); whereas the Equivalent Cancellation Price of approximately US\$7.972 is higher than the closing prices of the ADSs during the entire Share Review Period and represented premium of approximately 5.87% over the highest closing price of the ADSs during the Share Review Period;
- (ii) the closing prices of the Shares were at discounts to the Group's then latest published consolidated net asset value attributable to Shareholders per Share and Net Tangible Asset Value Attributable To The Shareholders per Share during the entire Shares Review Period while the NAV Discount of approximately 10.66% and the NTAV Discount of approximately 3.53% represents slighter discount than the Historical NAV Discounts and the Historical NTAV Discounts during the entire Share Review Period respectively; and
- (iii) the LUD Premium, 15 Days Premium and 30 Days Premium are within ranges of premium/discount of the Privatisation Cases and are higher than the average and median of the Privatisation Cases; while the 60 Days Premium, 120 Days Premium and 180 Days Premium are above the ranges of premium/discount of the Privatisation Cases,

we consider the Cancellation Price to be fair and reasonable.

## RECOMMENDATION

Having taken into consideration the principal factors and reasons as discussed above, in particular:

- (i) the prospects of technology service providers for PRC's financial institutions are generally positive. Nevertheless, the Group had been loss-making for FY2023, FY2024 and 1H2025; and the Discontinuation had substantially reduced the Group's revenue. In addition, with reference to Explanatory Memorandum, the Company has not been able to meaningfully expand its third-party revenue and it remains highly dependent on revenues contributed by Ping An Group and its affiliates and continues to operate as a captive company of Ping An Group. These circumstances cast material uncertainties on the Group's business operations and its future prospect is pessimistic;
- (ii) the Scheme Shareholders could seize the opportunity provided by the Proposal to realise their investments in the Company for cash at a premium, after taking into account that:
  - (a) majority of the Combined Average Volume was contributed by the trading volume of the ADSs on the NYSE and the conversion between the Shares and the ADS is subject to certain procedures, requirements and conversion fees (which are borne by the holders requesting the conversion);
  - (b) during the Share Review Period, trading liquidity of the Shares and the ADS was generally thin prior to the publication of the 3.7 Announcement on 3 March 2025 (save for September and October 2024 and February 2025). The relatively higher liquidity after publication of the 3.7 Announcement might be stimulated by the publication of the 3.7 Announcement and the Announcement, which may not sustain in long-term; and
  - (c) the Group's financial performance as demonstrated under the section headed "(2) Information on the Group" above, in particular, the significant decrease in the Group's revenue from technology solutions business (being the remaining continuing operation of the Group); and
- (iii) despite that the Cancellation Price represented the NAV Discount of approximately 10.66% and the NTAV Discount of approximately 3.53%, the Cancellation Price is nevertheless fair and reasonable based on our analysis on the Cancellation Price as set out above,

we are of the opinion that the Proposal and the Scheme are fair and reasonable so far as the Disinterested Holders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Disinterested Holders/Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the Extraordinary General Meeting to approve the Proposal and the Scheme.



As different Shareholders would have different investment criteria, objectives and/or circumstances, we would recommend any Shareholders 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 on behalf of  
**Gram Capital Limited**



**Graham Lam**  
*Managing Director*

*Note:* Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 30 years of experience in investment banking industry.