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25 November 2025

*To: the Independent Board Committee and the Independent Shareholders
of Hatcher Group Limited*

Dear Sirs,

**(1) DISPOSAL OF SHARES BY CONTROLLING SHAREHOLDER; AND
(2) CONNECTED TRANSACTION INVOLVING ISSUE OF NEW SHARES
UNDER SPECIFIC MANDATE**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Sale and Subscription Agreements, including the Disposal, the Subscription and the Specific Mandate contemplated thereunder, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 25 November 2025 (the “**Circular**”), of which this letter forms part. Unless otherwise stated, capitalised terms used in this letter shall have the same meanings as defined in the Circular.

On 16 September 2025 (after trading hours), the Company, the Controlling Shareholder and the Purchasers entered into the Sale and Subscription Agreements, pursuant to which, (a) the Controlling Shareholder agreed to sell the Sale Shares, and the Purchasers agreed to purchase the Sale Shares at the Sale Price; and (b) the Company agreed to issue, and the Controlling Shareholder agreed to subscribe for the New Shares (equal to the number of the Sale Shares) at the Subscription Price per New Share equal to the Sale Price, in each case upon the terms and subject to the conditions set out in the Sale and Subscription Agreements.

The Disposal and the Subscription are subject to various conditions set out under the paragraph headed “Conditions precedent of the Sale and Subscription Agreements” in the Letter from the Board.

Pursuant to the Sale and Subscription Agreements, the Controlling Shareholder agreed to sell the Sale Shares, being 9,480,000 Shares, representing approximately 5.53% of the issued Shares as at the Latest Practicable Date, for a total cash consideration of HK\$11,376,000 (being HK\$1.2 per Sale Share). Upon completion of the Disposal, the Controlling Shareholder remains to be the controlling Shareholder.

Assuming that the Sale Shares are sold pursuant to the Disposal, the New Shares, being 9,480,000 Shares, will be allotted and issued to the Controlling Shareholder, representing (i) approximately 5.53% of the issued Shares; and (ii) approximately 5.24% of the enlarged issued Shares upon completion of the Subscription (assuming there will be no change to the issued Shares from the Latest Practicable Date to the date of completion of the Subscription other than the allotment and issue of the New Shares).

As stated in the Letter from the Board, assuming the Sale Shares are sold to the Purchasers and the equivalent number of New Shares are subscribed by the Controlling Shareholder under the Subscription, the gross proceeds and estimated net proceeds from the Subscription are HK\$11,376,000 and approximately HK\$11,276,000 respectively. On such basis, the net price of each New Share is approximately HK\$1.19. The Board intends to use the net proceeds from the Subscription for general corporate purposes, with approximately 77% designated for staff salaries and benefits, approximately 10% for office rental and utilities, and the remainder for other overheads including legal, professional and information technology expenses.

According to the Letter from the Board, the Controlling Shareholder is the subscriber of the Subscription. The Controlling Shareholder is an investment holding company and is owned as to 100% by Mr. Li, an executive Director. As at the Latest Practicable Date, after taking into account the Shares held by the Controlling Shareholder, Mr. Li beneficially owns 120,856,523 Shares, representing approximately 70.56% of the issued Shares. Therefore, pursuant to Rule 20.07(1) of the GEM Listing Rules, Mr. Li, together with the Controlling Shareholder, is a connected person of the Company. Accordingly, the Sale and Subscription Agreements, including the Disposal and the Subscription, constitute a connected transaction of the Company under Chapter 20 of the GEM Listing Rules, and are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements. The New Shares will be allotted and issued under the Specific Mandate to be sought at the EGM and is therefore subject to the Independent Shareholders' approval.

The Company will seek approval from the Independent Shareholders in respect of the Sale and Subscription Agreements, including the Disposal, the Subscription and the Specific Mandate contemplated thereunder by way of a poll at the EGM. Save for Mr. Li, being the executive Director and the ultimate beneficial owner of the Controlling Shareholder, having abstained from voting in respect of the Sale and Subscription Agreements, including the Disposal, the Subscription and the Specific Mandate, none of the Directors has abstained from voting at the meeting of the Board on the resolution to approve the Sale and Subscription Agreements, including the Disposal, the Subscription and the Specific Mandate contemplated thereunder. Mr. Li, together with the Controlling Shareholder, is regarded as having a material interest in the Disposal and the Subscription, therefore is required to abstain from voting on the resolution proposed to be passed at the EGM for approving the Sale and Subscription Agreements, including the Disposal, the Subscription and the Specific Mandate contemplated thereunder. As at the Latest Practicable Date, Mr. Li, together with the Controlling Shareholder, held 120,856,523 Shares, representing approximately 70.56% of the issued Shares. Accordingly, Mr. Li, together with the Controlling Shareholder, will abstain from voting at the EGM in respect of the resolution proposed to be

passed for approving the Sale and Subscription Agreements, including the Disposal, the Subscription and the Specific Mandate contemplated thereunder. Save as Mr. Li, together with the Controlling Shareholder and its respective associates, to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the transactions contemplated under the Sale and Subscription Agreements, including the Disposal, the Subscription and the Specific Mandate and will be required to abstain from voting on the resolution(s) to approve the Sale and Subscription Agreements, including the Disposal, the Subscription and the Specific Mandate contemplated thereunder at the EGM.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the New Shares.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all the three independent non-executive Directors, namely Mr. William Robert Majcher, Mr. Ho Lik Kwan Luke and Mr. Lau Pak Kin Patric, has been formed to advise the Independent Shareholders on whether the Sale and Subscription Agreements, including the Disposal, the Subscription and the Specific Mandate contemplated thereunder are fair and reasonable, so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM, taking into account the recommendation of the Independent Financial Adviser.

OUR INDEPENDENCE

We, Dakin Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. Our appointment as the Independent Financial Adviser has been approved by the Independent Board Committee. During the past two years immediately preceding the Latest Practicable Date, we have issued a letter of advice as an independent financial adviser dated 13 October 2025 in respect of the proposed refreshment of general mandate. Save for the above engagement and this appointment as the Independent Financial Adviser in respect of the Sale and Subscription Agreements, including the Disposal, the Subscription and the Specific Mandate contemplated thereunder, there were no other engagements between the Company and us during the past two years immediately preceding the Latest Practicable Date. Apart from normal professional fees for our services to the Company in connection with the above engagement and this appointment as the Independent Financial Adviser, no other arrangements exist whereby we will receive any fees and/or benefits from the Group. As at the Latest Practicable Date, we were not aware of any relationships or interests between us and the Company, or its substantial Shareholders, Directors, chief executive, or any of their respective associates. We are independent under Rule 17.96 of the GEM Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Sale and Subscription Agreements, including the Disposal, the Subscription and the Specific Mandate contemplated thereunder.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the accuracy of the statements, information, opinions and representations contained or referred to in the Circular, the information and representations provided to us by the Company, the Directors and the management of the Company and our review of the relevant public information. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading. We have assumed that all information, representations and opinions contained or referred to in the Circular, which have been provided by the Company, the Directors and the management of the Company and for which they are solely and wholly responsible, were true and accurate at the time when they were made and continue to be true up to the Latest Practicable Date. Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of us to ensure that such information are true, accurate and complete in all material respects and not misleading or deceptive and has been correctly extracted from the relevant sources.

The Directors collectively and individually accept full responsibility, including particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular are accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement in the Circular misleading.

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, its subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Sale and Subscription Agreements, including the Disposal, the Subscription and the Specific Mandate contemplated thereunder. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion to the Independent Board Committee and the Independent Shareholders in respect of the Sale and Subscription Agreements, including the Disposal, the Subscription and the Specific Mandate contemplated thereunder, we have considered the following principal factors and reasons:

1. Background and financial information of the Group

As stated in the Letter from the Board, the Group is principally engaged in (i) the provision of corporate finance advisory services and placing and underwriting services (the “**Licensed Business**”); and (ii) the provision of business consultancy services, environmental, social and governance advisory services, corporate secretarial services, accounting and taxation services, risk management and internal control advisory services and human resources services in Hong Kong (the “**Non-Licensed Business**”).

The table below summarises the general financial information of the Group (i) for the financial years ended 30 September 2023 and 2024 which are extracted from the Company’s annual report for the year ended 30 September 2024 (the “**Annual Report**”); and (ii) for the six months ended 31 March 2024 and 2025 which are extracted from the Company’s interim report for the six months ended 31 March 2025 (the “**Interim Report**”):

	For the year ended 30 September		For the six months ended 31 March	
	2023	2024	2024	2025
	(audited)	(audited)	(unaudited)	(unaudited)
	(restated)		(restated)	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Financial performance				
<u>Continuing operations</u>				
Revenue				
Corporate finance advisory services	11,594	8,977	3,839	6,280
Placing and underwriting services	3,701	15,118	10,266	—
Asset management services	74	18	—	—
Licensed Business subtotal	15,369	24,113	14,105	6,280
Accounting and taxation services	14,735	15,664	17,530	18,128
Business consulting services	38,056	34,655	1,685	6,626
Corporate secretarial services	4,971	6,248	3,122	2,806
Environmental, social and governance advisory services	—	—	—	654
Human resources services	2,025	2,047	950	991
Risk management and internal control advisory services	2,730	2,766	3,899	1,204
Non-Licensed Business subtotal	62,517	61,380	27,186	30,409
Total revenue	77,886	85,493	41,291	36,689

	For the year ended 30 September		For the six months ended 31 March	
	2023	2024	2024	2025
	(audited)	(audited)	(unaudited)	(unaudited)
	(restated)		(restated)	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss for the year/period from continuing operations	(17,528)	(73,110)	(14,387)	(10,839)
<u>Discontinued operations</u>				
Profit/(Loss) for the year/period from discontinued operations				
Securities brokerage and margin financing services	5,008	—	—	—
Asset management services	—	—	(926)	(468)
Environmental, social and governance advisory services	(1,811)	(4,092)	(42)	—
Total profit/(loss) for the year/period from discontinued operations	3,197	(4,092)	(968)	(468)
Loss for the year/period	(14,331)	(77,202)	(15,355)	(11,307)
	As at 30 September 2023	As at 30 September 2024	As at 31 March 2025	
	(audited)	(audited)	(unaudited)	
	HK\$'000	HK\$'000	HK\$'000	
Financial position				
Total assets	272,593	167,868	170,297	
Total liabilities	74,367	35,688	42,472	
Net assets	198,226	132,180	127,825	

Annual results of the Group for the year ended 30 September 2024

The Group's continuing operations

According to the Annual Report, the Group's revenue was mainly derived from the two principal businesses, namely the Licensed Business and the Non-Licensed Business. The Group's revenue generated from (i) the Licensed Business amounted to approximately HK\$15.4 million and HK\$24.1 million for the year ended 30 September 2023 (“FY2023”) and 30 September 2024 (“FY2024”), representing approximately 19.7% and 28.2% of the total revenue respectively; and (ii) the Non-Licensed Business amounted to approximately HK\$62.5 million and HK\$61.4 million for FY2023 and FY2024, representing approximately 80.3% and 71.8% of the total revenue respectively.

The Group's total revenue increased from approximately HK\$77.9 million for FY2023 to approximately HK\$85.5 million for FY2024, representing an increase of approximately 9.8%. As stated in the Annual Report, such increase in the Group's total revenue was mainly due to the increase in revenue generated from placing and underwriting services under the Licensed Business from approximately HK\$3.7 million for FY2023 to approximately HK\$15.1 million for FY2024 and partially offset by the decrease in revenue generated from business consulting services under the Non-Licensed Business from approximately HK\$38.1 million for FY2023 to approximately HK\$34.7 million for FY2024.

The revenue from the Licensed Business increased from approximately HK\$15.4 million for FY2023 to approximately HK\$24.1 million for FY2024, representing an increase of approximately 56.9%. Pursuant to the Annual Report, such increase in the revenue from the Licensed Business was mainly due to the increase in revenue generated from placing and underwriting services from approximately HK\$3.7 million for FY2023 to approximately HK\$15.1 million for FY2024, representing an increase of approximately 308.5% and partially offset by the decrease in revenue generated from corporate finance advisory services from approximately HK\$11.6 million for FY2023 to approximately HK\$9.0 million for FY2024, representing a decrease of approximately 22.6%.

The revenue from the Non-Licensed Business remained stable and slightly decreased from approximately HK\$62.5 million for FY2023 to approximately HK\$61.4 million for FY2024, representing a decrease of approximately 1.8%. According to the Annual Report, such slight decrease in the revenue from the Non-Licensed Business was mainly due to the decrease in revenue generated from business consulting services from approximately HK\$38.1 million for FY2023 to approximately HK\$34.7 million for FY2024, representing a decrease of approximately 8.9% and partially offset by the increase in revenue generated from corporate secretarial services from approximately HK\$5.0 million for FY2023 to approximately HK\$6.2 million for FY2024, representing an increase of approximately 25.7%.

The Group recorded a widened loss from continuing operations from approximately HK\$17.5 million for FY2023 to approximately HK\$73.1 million for FY2024. According to the Annual Report and the management of the Company, such widened loss from continuing operations for FY2024 was mainly due to

- (i) the provision for impairment loss in respect of goodwill on APEC Group International Limited and its subsidiaries of approximately HK\$33.2 million for FY2024 (FY2023: nil);
- (ii) the provision for impairment loss in respect of goodwill on Earning Joy Development Limited and its subsidiaries of approximately HK\$4.7 million for FY2024 (FY2023: nil);
- (iii) the recognition of negative value of other income and other gains and losses, net of approximately HK\$15.9 million for FY2024 (FY2023: positive value of other income and other gains and losses, net of approximately HK\$22.9 million) which is mainly caused by (a) the decrease in net gain on disposal of financial assets at fair value through profit and loss from approximately HK\$10.7 million for FY2023 to approximately HK\$91,000 for FY2024; and (b) the recognition of a fair value loss on financial assets at fair value through profit and loss of approximately HK\$16.7 million for FY2024, compared to a fair value gain on financial assets at fair value through profit and loss of approximately HK\$13.6 million for FY2023;
- (iv) the increase in provision of impairment loss in respect of trade receivables from approximately HK\$52,000 for FY2023 to approximately HK\$6.2 million for FY2024; and partially offset by
- (v) the decrease in administrative expenses and other operating expenses from approximately HK\$113.0 million for FY2023 to approximately HK\$97.0 million for FY2024 which is mainly caused by (a) the absence of recognition of equity-settled share-based payment expenses during FY2024 (2023: approximately HK\$23.0 million) in relation to the grant of share options by the Company; and (b) an increase in placing and related expenses of approximately HK\$11.3 million (2023: nil) during FY2024, which comprise referral fees, in relation to placing and underwriting services provided by the Group.

The Group's discontinued operations

The Group recorded a loss from discontinued operations of approximately HK\$4.1 million for FY2024, compared to a profit from discontinued operations of approximately HK\$3.2 million for FY2023. As stated in the Annual Report, such loss from discontinued operations for FY2024 was generated from the disposal of the entire interests in ESGrowth Limited and Hong Kong Sustainability Strategic Advisory Limited (the “**ESG Disposal**”) for a consideration of HK\$1 on 30 September 2024. The ESG Disposal was completed on 30 September 2024.

Overall, the Group recorded a loss of approximately HK\$77.2 million for FY2024 (FY2023: approximately HK\$14.3 million).

Interim results of the Group for the six months ended 31 March 2025

The Group's continuing operations

The Group's revenue generated from (i) the Licensed Business amounted to approximately HK\$14.1 million and HK\$6.3 million for the six months ended 31 March 2024 (“**IR2024**”) and 31 March 2025 (“**IR2025**”), representing approximately 34.2% and 17.1% of the total revenue respectively; and (ii) the Non-Licensed Business amounted to approximately HK\$27.2 million and HK\$30.4 million for IR2024 and IR2025, representing approximately 65.8% and 82.9% of the total revenue respectively.

The Group's total revenue decreased from approximately HK\$41.3 million for IR2024 to approximately HK\$36.7 million for IR2025, representing a decrease of approximately 11.1%. According to the Interim Report and the management of the Company, such decrease in the Group's total revenue was mainly due to the decrease in revenue generated from placing and underwriting services under the Licensed Business from approximately HK\$10.3 million for IR2024 to nil for IR2025 and partially offset by the increase in revenue generated from business consulting services under the Non-Licensed Business from approximately HK\$1.7 million for IR2024 to approximately HK\$6.6 million for IR2025.

The revenue from the Licensed Business decreased from approximately HK\$14.1 million for IR2024 to approximately HK\$6.3 million for IR2025, representing a decrease of approximately 55.5%. Pursuant to the Interim Report, such decrease in the revenue from the Licensed Business was mainly attributable to the combined effect of the decrease in revenue from placing and underwriting services from approximately HK\$10.3 million for IR2024 to nil for IR2025 and partially offset by the increase in revenue from corporate finance advisory services from approximately HK\$3.8 million for IR2024 to approximately HK\$6.3 million for IR2025, representing an increase of approximately 63.6%.

The revenue from the Non-Licensed Business increased from approximately HK\$27.2 million for IR2024 to approximately HK\$30.4 million for IR2025, representing an increase of approximately 11.9%. According to the Interim Report, such increase in the revenue from the Non-Licensed Business was mainly due to the increase in revenue generated from business consulting services from approximately HK\$1.7 million for IR2024 to approximately HK\$6.6 million for IR2025, representing an increase of approximately 293.2%.

The Group's loss from continuing operations narrowed from approximately HK\$14.4 million for IR2024 to approximately HK\$10.8 million for IR2025. According to the Interim Report and the management of the Company, such improvement for IR2025 was mainly due to

- (i) the decrease in administrative expenses and other operating expenses from approximately HK\$52.2 million for IR2024 to approximately HK\$46.7 million for IR2025 which is mainly caused by (a) the absence of placing and related expenses during IR2025 (IR2024: approximately HK\$7.9 million) in relation to placing and underwriting services provided by the Group; and (b) an increase in staff costs and related expenses of approximately HK\$4.0 million during IR2025;
- (ii) the recognition of other income, net of approximately HK\$1.6 million for IR2025 (IR2024: other losses, net of approximately HK\$2.1 million) which is mainly caused by (a) the recognition of bad debts recovery of approximately HK\$0.6 million for IR2025 (IR2024: approximately HK\$5,000); and (b) the absence of net loss on disposal of financial assets at fair value through profit and loss for IR2025 (IR2024: approximately HK\$1.9 million); and partially offset by
- (iii) the recognition of bad debt written off in respect of trade receivables of approximately HK\$1.6 million for IR2025 (IR2024: nil).

The Group's discontinued operations

The Group recorded a loss from discontinued operations of approximately HK\$1.0 million and HK\$0.5 million for IR2024 and IR2025 respectively. As stated in the Interim Report, such loss from discontinued operations for IR2025 related to the disposal of 80% of the equity interests in VBG Asset Management Limited (the “**VBG Asset Management Disposal**”) by the Company for a consideration of HK\$600,000 on 28 February 2025. The VBG Asset Management Disposal was completed on 12 August 2025.

Overall, the Group recorded a loss of approximately HK\$11.3 million for IR2025 (IR2024: approximately HK\$15.4 million).

Financial position of the Group

Total assets of the Group as at 31 March 2025 amounted to approximately HK\$170.3 million whereas total liabilities of the Group amounted to approximately HK\$42.5 million, resulting in a net assets position of approximately HK\$127.8 million.

2. Background of the Controlling Shareholder and the Purchasers

The Controlling Shareholder

Tanner Enterprises Group Limited, the Controlling Shareholder, is investment holding company and is owned as to 100% by Mr. Li. As at the Latest Practicable Date, after taking into account the Shares held by the Controlling Shareholder, Mr. Li beneficially owns 120,856,523 Shares, representing approximately 70.56% of the issued Shares.

The Purchasers

The Purchasers, namely Mr. Tang Wan Hoi, Mr. Lam Kwan Lok, Mr. Lee Yuk Tim, Ms. Chu Yat Kiu, Ms. Hong Mingjiao and Ms. Li Siu Kwan are six private individual investors. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Purchasers are six individuals, each of whom is (a) independent of, and not connected with, the Company and its connected person(s); and (b) independent of, and not acting in concert with, the Controlling Shareholder and persons acting in concert with the Controlling Shareholder. Save for their participation in the Disposal and the Subscription, the Purchasers have no direct or material business relationship with the Group.

3. Reasons for the Disposal and the Subscription and use of proceeds

Recent business development of the Group

According to the Interim Report, the Group maintained a financially healthy position as at 31 March 2025, with a cash balance of approximately HK\$42.0 million, a low gearing ratio (calculated by the Group's total interest-bearing borrowings and lease liabilities divided by the Group's total equity) of approximately 17.2%, and a net cash inflow from operating activities of approximately HK\$9.0 million for IR2025. Based on such financial standing, the Group has been actively expanding and developing its business. Reference is made to the Company's announcement dated 26 September 2024, 18 August 2025 and 29 September 2025 in relation to the prospective business expansion into the gaming industry and the security token business (the "Security Token Business") respectively. Alongside the ongoing expansion attempts into gaming and entertainment business, the Company is actively exploring business expansion into real-world assets (RWA) through collaborations with established industry players.

On 29 September 2025 (after trading hours), the Company and Esperanza Fintech Holdings Limited entered into the agreement, pursuant to which the Company has conditionally agreed to acquire, and Esperanza Fintech Holdings Limited has conditionally agreed to sell 20 shares of Esperanza Fintech (Commodities) Limited, representing 2% of the issued share capital of Esperanza Fintech (Commodities) Limited at the consideration of HK\$12 million (the “**Acquisition**”). The consideration of the Acquisition shall be satisfied in full by the issue of the convertible bonds in the principal amount of HK\$12 million to be issued by the Company to Esperanza Fintech Holdings Limited. For detailed information of the principal terms of the Acquisition, please refer to the Company’s announcement dated 29 September 2025.

The intentions of the Purchasers and the Controlling Shareholder

In light of this, we have discussed with the Directors and be advised that the Purchasers expressed their interests in investing the Shares after considering the Company’s long term business development and thus resulted in entering of the Sale and Subscription Agreements for the Disposal. At the same time, Mr. Li, the executive Director and the ultimate beneficial owner of the Controlling Shareholder, also expressed his support to the Group’s business expansion and development and thus resulted in entering of the Sale and Subscription Agreements for the Subscription. Furthermore, the Directors advised that the introduction of the new investors while they are individuals that may not directly provide benefits on business prospects as it is not expected to see any direct cooperation in the Group’s business as at the Latest Practicable Date, their supports through their purchase of Sale Sales could help enhance market confidence and could pave the way for attracting further investment in the future through as (i) their investment serves as a positive signal for the market and future potential investors; and (ii) there may be follow-on investments from them and/or their network of connections, thereby better positioning the Company to future fund-raising opportunities. Lastly, we consider that the Subscription represents the confidence and commitment of Mr. Li to support the stability of the Group’s existing business operations and financial position so as to provide a more stable financial position in future expansion. Upon completion of the Disposal and the Subscription, Mr. Li will remain as the largest Shareholder, and that the continuous support of Mr. Li is crucial to ensure the Group’s stable business operations and financial position, resulting in moving towards the Group’s long term business expansion and development.

The use of proceeds from the Subscription

According to the Letter from the Board, assuming the Sale Shares are sold to the Purchasers and the equivalent number of New Shares are subscribed by the Controlling Shareholder under the Subscription, the gross proceeds and estimated net proceeds from the Subscription are HK\$11,376,000 and approximately HK\$11,276,000 respectively. On such basis, the net price of each New Share is approximately HK\$1.19. The Board intends to use the net proceeds from the Subscription for general corporate purposes in the following manners:

- (i) approximately 77% designated for staff salaries and benefits;
- (ii) approximately 10% for office rental and utilities; and
- (iii) approximately 13% for other overheads including legal, professional and information technology expenses.

According to the Annual Report and the Interim Report, the Group incurred administrative expenses and other operating expenses (the “**Operating Expenses**”) of approximately HK\$113.0 million, HK\$97.0 million and HK\$46.7 million for FY2023, FY2024 and IR2025 respectively, representing a monthly Operating Expenses of approximately HK\$9.4 million, HK\$8.1 million and HK\$7.8 million for FY2023, FY2024 and IR2025 respectively. In other words, based on the Group’s past Operating Expenses incurred for FY2023, FY2024 and IR2025, the Group’s annual Operating Expenses range from approximately HK\$93.6 million (monthly Operating Expenses of approximately HK\$7.8 million for IR2025 x 12 months) to HK\$113.0 million. As stated in the Interim Report, the Group has cash balance of approximately HK\$42.0 million, accruals and other payables of approximately HK\$19.2 million and interest-bearing borrowings of approximately HK\$15.2 million. All the interest-bearing borrowings are repayable on demand. As mentioned above in this paragraph, although the Group maintained a financially healthy position as at 31 March 2025, with a cash balance of approximately HK\$42.0 million, a low gearing ratio (calculated by the Group’s total interest-bearing borrowings and lease liabilities divided by the Group’s total equity) of approximately 17.2%, and a net cash inflow from operating activities of approximately HK\$9.0 million for IR2025, the Directors consider that it is not feasible to fully rely on the Company’s existing financial resources such as cash balance, net cash inflow from operating activities or trade and other receivables to address the deficit in funding need for its existing business operations and future business expansion. This was because substantial funds had to be maintained to cover the direct business operation expenses in order to sustain the Group’s level of business operations. Therefore, the Group resorted to external financing for the general working capital needs of the Group, including but not limited to staff salaries and benefits, office rental, utilities, overheads including legal, professional and information technology expenses.

Despite the Company has completed a rights issue in April 2025 (the “**Rights Issue**”) and obtained net proceeds of approximately HK\$31.1 million, however, as mentioned in the paragraph headed “Fund raising activities in the past twelve months” in the Letter from the Board,

- (a) the remaining and unused net proceeds from the Rights Issue of approximately HK\$4.4 million as at the Latest Practicable Date has been earmarked for establishment of a wholly-owned subsidiary to be incorporated in a gaming-friendly jurisdiction and the hiring of operational staff for the gaming platform;
- (b) the remaining and unused net proceeds from the Rights Issue of approximately HK\$13.4 million as at the Latest Practicable Date has also been earmarked for marketing expense for capturing new customers to take part in the gaming platform; and
- (c) approximately HK\$9.3 million of the net proceeds from the Rights Issue was fully utilised for general working capital in the operation of the Licensed Business and Non-Licensed Business.

Both utilisations for the above items (a) and (b) of the net proceeds from the Rights Issue are crucial for the Group’s business expansion into the gaming industry. As a result, item (c) of the net proceeds from the Rights Issue available for the Company’s general working capital is limited, let alone item (c) of the net proceeds from the Rights Issue which was fully utilised as at the Latest Practicable Date.

In addition, according to the Company's announcements dated 4 November 2025, the Company is conducting a placing of new Shares under general mandate (the "**Placing**") and expects to obtain net proceeds of approximately HK\$29.6 million. We have enquired with the Directors and understand that the Company would like to allocate the majority of the net proceeds from the Placing to working capital purposes, but specifically for (i) the expansion of the corporate finance team by hiring additional professionals to increase capacity for handling mandates in areas such as international mergers and acquisitions and initial public offerings; and (ii) office relocation costs, down payment, renovation and fitting-out for the new headquarters.

In light of the above, there is a short-to-medium term general working capital need for the Group's existing business operations and future business expansion. Pursuant to the Letter from the Board, the Directors have decided to allocate the entire net proceeds from the Subscription for the Group's general corporate purposes, and thus the immediate funding need for the Group's general working capital is justifiable.

Other financing alternatives

As discussed with the Directors, they also consider other financing alternatives apart from the Disposal and the Subscription, such as debt financing, rights issue, open offer or internal cash resources to meet the financial requirements of the Group. However, the Directors consider that debt financing will incur finance costs and may be subject to potentially resulting in less favourable terms compared to equity-related financing as the terms of any available financing facilities would depend on the financial institutions' assessment and might require the Company to provide collateral or other securities. In addition, borrowing from bank and financial institutions may be subject to lengthy due diligence and negotiations and less favourable terms as compared with equity-related financing. Likewise, a bond offering presents similar concerns. In the current environment of high interest rates, investors would likely demand a higher yield, making it more challenging and costly for the Company to secure funding through this channel. Therefore, we concur with the Directors' view that debt financing is unable to provide the benefits of equity.

In respect of pre-emptive issues such as rights issue and open offer, despite the fact that it allows existing Shareholders to subscribe for their entitlements, as the Company recently completed the Rights Issue, it may be challenging for the Company to leverage pre-emptive issues to raise fund, considering potential investor fatigue and a reduced appetite for further offerings within a short timeframe. Furthermore, rights issue and open offer would incur additional costs such as placing/underwriting commission, documentation costs of filing of a prospectus and the printing and handling of application forms and other professional fees (including engagement of reporting accountants, financial advisers and/or brokerage agents) of approximately three to four times than that of the Disposal and the Subscription and take a relatively longer timeframe of over three months from the dispatch of the circular to commencement of dealing in the offer shares or rights shares (as the case may be) when compared to the Disposal and the Subscription of normally one month from the dispatch of the circular pertaining to an issue of New Shares under Specific Mandate to dealing in the New Shares. As such, we concur with the Directors' view that rights issue and open offer may not be the most appropriate methods for its fund-raising exercise and is comparatively less advantageous than the Disposal and the Subscription.

Having considered (i) the factors as discussed in this paragraph for the reasons of the Disposal and the Subscription; (ii) debt financing generally involves lengthy due diligence and negotiation time and would inevitably impose further interest burden and repayment obligation to the Group; and (iii) other equity financing methods such as open offer or rights issue incur higher costs and relatively longer timeframe, we are of the view that the Disposal and the Subscription is the best option of fund-raising activity.

Our view

Despite the Company completed the Rights Issue and conducts the Placing recently, taking into account (i) the majority of the net proceeds from the Rights Issue has been earmarked for the Group's business expansion into the gaming industry and the remaining of net proceeds from the Rights Issue for the Group's general working capital has been fully utilised as at the Latest Practicable Date; (ii) all the net proceeds from the Placing has also been earmarked for the Group's business expansion and the relocation of the Group's office; (iii) the Purchasers' investing in the Shares would broaden the Shareholders' base of the Company; (iv) the funds raised from the Subscription demonstrate the confidence and continuous support from Mr. Li to the stability of the Group's existing business operations and financial position so as to provide a more stable financial position in future expansion; (v) the funding need for the Group's existing business operations and future expansion is not adequate to be supported by its existing financial resources, and thus the Subscription is immediate and necessary as discussed above in this paragraph; (vi) the net proceeds from the Subscription would strengthen the Group's capital base; (vii) other financing alternatives may not be feasible as discussed above in this paragraph; (viii) the Sale Price and the Subscription Price are fair and reasonable as discussed in the paragraph headed "4. Principal terms of the Sale and Subscription Agreements" below in this letter; and (ix) the positive impact on the financial position of the Group and the net asset value attributable to owners of the Company per Share as a result of the Subscription as discussed in the paragraph headed "6. Possible financial effect of the Disposal and the Subscription" below in this letter, we concur with the Directors' view that the Disposal and the Subscription would benefit the Group's long-term development and broaden the Shareholders' base and capital base of the Company to facilitate the Group's future growth and business development, which is fair and reasonable and in turn in the interests of the Company and the Shareholder as a whole.

4. Principal terms of the Sale and Subscription Agreements

Pursuant to the terms and conditions of the Sale and Subscription Agreements, (a) the Controlling Shareholder agreed to sell the Sale Shares, and the Purchasers agreed to purchase the Sale Shares at the Sale Price; and (b) the Company agreed to issue, and the Controlling Shareholder agreed to subscribe for the New Shares (equal to the number of the Sale Shares) at the Subscription Price per New Share equal to the Sale Price. The Disposal and the Subscription are subject to various conditions set out under the paragraph headed "Conditions precedent of the Sale and Subscription Agreements" in the Letter from the Board. The Sale Shares, being 9,480,000 Shares, represent approximately 5.53% of the issued Shares as at the Latest Practicable Date. Assuming that the Sale Shares are sold pursuant to the Disposal, the New Shares, being 9,480,000 Shares, represent (i) approximately 5.53% of the issued Shares; and (ii) approximately 5.24% of the enlarged issued Shares upon completion of the Subscription (assuming there will be no change to the issued Shares from the Latest Practicable Date to the date of completion of the

Subscription other than the allotment and issue of the New Shares). Shareholders are reminded to take reference to the section headed “The Sale and Subscription Agreements” in the Letter from the Board for further details of the Sale and Subscription Agreements.

We have reviewed the following terms of the Sale and Subscription Agreements. In order to assess the fairness and reasonableness of the Sale Price and the Subscription Price, we have compared with reference to (i) the recent price performance of Shares; (ii) the trading liquidity of Shares; and (iii) the market comparables analysis, as follows:

The Sale Price and the Subscription Price

The Sale Price and the Subscription Price are the same at HK\$1.2 per Sale Share and New Share respectively, representing

- (i) a discount of approximately 39.09% to the closing price of HK\$1.970 per Share as at the Latest Practicable Date;
- (ii) a discount of approximately 34.07% to the closing price of HK\$1.820 per Share as quoted on the Stock Exchange on the date of the Sale and Subscription Agreements;
- (iii) a discount of approximately 37.57% to the average of the closing prices of HK\$1.922 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days immediately prior to the date of the Sale and Subscription Agreements;
- (iv) a discount of approximately 30.88% to the average of the closing prices of HK\$1.736 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days immediately prior to the date of the Sale and Subscription Agreements;
- (v) a premium of approximately 3.81% over the average of the closing prices of HK\$1.156 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days immediately prior to the date of the Sale and Subscription Agreements;
- (vi) a premium of approximately 60.64% over the unaudited consolidated net asset value attributable to the Shareholders as at 31 March 2025 of approximately HK\$0.747 per Share (based on the unaudited consolidated net asset value attributable to owners of the Company as at 31 March 2025 of approximately HK\$127,871,000 divided by 171,269,440 Shares in issue as at the Latest Practicable Date);
- (vii) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 1.97%, represented by the theoretical diluted price of approximately HK\$1.2 per Share to the benchmarked price of approximately HK\$1.922 per Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the higher of the closing price on the date of the Sale and Subscription Agreements of HK\$1.82 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of the Sale and Subscription Agreements of HK\$0.1922 per Share); and

- (viii) a cumulative theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) in aggregation with the Rights Issue represented by a discount of approximately 24.36%, represented by the cumulative theoretical diluted price of approximately HK\$1.45 per Share to the theoretical benchmarked price of approximately HK\$1.922 per Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the benchmarked price of the Rights Issue, being HK\$0.365 per Share).

As stated in the Letter from the Board, the net price of each New Share is approximately HK\$1.19. According to the Letter from the Board and the advice from the Directors, the Subscription Price (i) was arrived at after arm's length negotiations among the Company, the Controlling Shareholder and the Purchasers, with all parties exercising independent commercial judgement and is line with market practice; and (ii) was determined with reference to, among others, the Sale Price, the recent market prices of the Shares and the prevailing market volatility and conditions. In particular, regard was given to the closing prices during the key negotiation period, being the first week of September 2025 at an average closing price of approximately HK\$1.55, with a discount of approximately 22.6% applied after due consideration of the significant share price volatility observed in the preceding month, during which the Share price fluctuated from a low of HK\$0.25 to a high of HK\$1.63. The Directors consider that such discount of approximately 22.6% to the average closing price of approximately HK\$1.55 during the first week of September 2025 is largely consistent with the maximum discount level of 20.0% permissible for a share issuance under a general mandate pursuant to the GEM Listing Rules, reflecting accepted market practice for capital raisings.

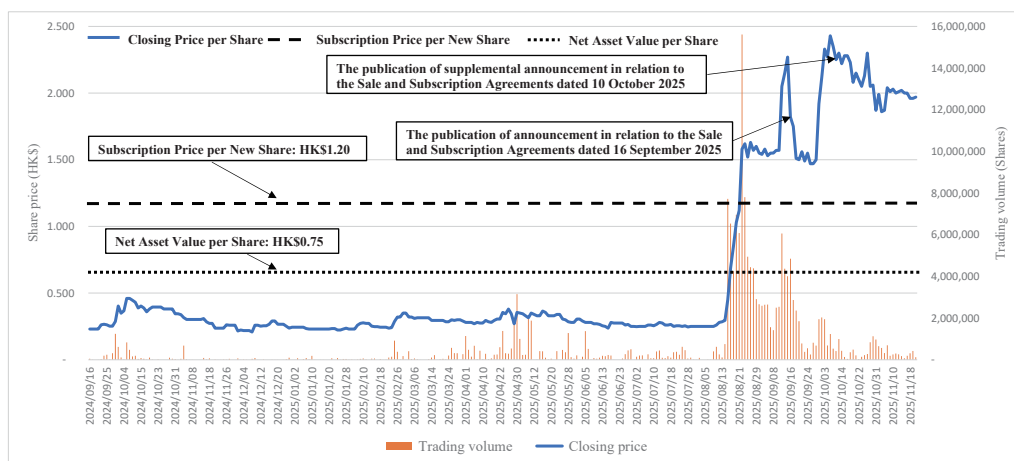
On the other hand, (i) the daily closing price of the Share during the period from 16 September 2024 to 16 September 2025, being the twelve-month period prior to the date of the Sale and Subscription Agreements (i.e. 16 September 2025) (the “**Pre Announcement Review Period**”) range from the highest of HK\$2.270 per Share to the lowest of HK\$0.208 per Share, with an average of approximately HK\$0.398 per Share; (ii) the closing price of the Share on the date of the Sale and Subscription Agreements was HK\$1.820 per Share; (iii) the daily closing price of the Share during the period from 17 September 2025 to the Latest Practicable Date (the “**Post Announcement Review Period**”) range from the highest of HK\$2.430 per Share to the lowest of HK\$1.470 per Share, with an average of approximately HK\$1.984 per Share. We consider that the review period as mentioned above is fair and reasonable to illustrate the general trend and movement of recent closing prices of the Shares.

The net asset value per Share as at 31 March 2025 was approximately HK\$0.747 which is lower than the Subscription Price.

Historical price of the Shares

Set out below is the chart showing the daily closing price of the Shares as quoted on the Stock Exchange during the Pre Announcement Review Period and the Post Announcement Review Period (collectively, the “**Review Periods**”). We consider that the Review Periods are fair, adequate, representative and sufficient to illustrate the general trend and level of movement of recent closing prices of the Shares for conducting a reasonable comparison among the historical closing prices of the Shares and the Subscription Price.

Movement of the daily closing price of the Shares during the Review Periods



Note: The net asset value per Share was calculated based on the unaudited consolidated net asset value attributable to owners of the Company as at 31 March 2025 divided by the total number of the Shares in issue as at the Latest Practicable Date.

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

The Subscription Price of HK\$1.2 represents

Pre Announcement Review Period

- (i) a premium of approximately 476.92% over the lowest closing price of HK\$0.208 on 9 December 2024 during the Pre Announcement Review Period;
- (ii) a discount of approximately 47.14% to the highest closing price of HK\$2.270 on 15 September 2025 during the Pre Announcement Review Period;
- (iii) a premium of approximately 201.51% over the average closing price of approximately HK\$0.398 during the Pre Announcement Review Period;

The date of the Sale and Subscription Agreements

- (iv) a discount of approximately 34.07% to the closing price of HK\$1.820 on the date of the Sale and Subscription Agreements;

Post Announcement Review Period

- (v) a discount of approximately 18.37% to the lowest closing price of HK\$1.470 on 25 September 2025 and 26 September 2025 during the Post Announcement Review Period;
- (vi) a discount of approximately 50.62% to the highest closing price of HK\$2.430 on 8 October 2025 during the Post Announcement Review Period;
- (vii) a discount of approximately 39.52% to the average closing price of approximately HK\$1.984 during the Post Announcement Review Period;

Review Periods

- (viii) a premium of approximately 476.92% over the lowest closing price of HK\$0.208 on 9 December 2024 during the Review Periods;
- (ix) a discount of approximately 50.62% to the highest closing price of HK\$2.430 on 8 October 2025 during the Review Periods;
- (x) a premium of approximately 88.09% over the average closing price of approximately HK\$0.638 during the Review Periods;

Net asset value

- (xi) a premium of approximately 60.64% over the unaudited consolidated net asset value attributable to the Shareholders as at 31 March 2025 of approximately HK\$0.747 per Share (based on the unaudited consolidated net asset value attributable to owners of the Company as at 31 March 2025 of approximately HK\$127,871,000 divided by 171,269,440 Shares in issue as at the Latest Practicable Date)

Latest Practicable Date

- (xii) a discount of approximately 39.09% to the closing price of HK\$1.970 per Share as at the Latest Practicable Date.

As depicted in the above chart, 229 out of 247 trading days of the Shares were closed below the Subscription Price of HK\$1.2 per New Share throughout the Pre Announcement Review Period. During the Pre Announcement Review Period, the closing prices of Shares range from HK\$0.208 on 9 December 2024 to HK\$2.270 on 15 September 2025, with an average of approximately HK\$0.398. The closing prices of Shares demonstrated a general sideways trend from 16 September 2024 to 14 August 2025, representing the majority of the Pre Announcement Review Period.

Since 14 August 2025, the closing prices of the Shares demonstrated a first surge from HK\$0.295 on 14 August 2025 to HK\$1.620 on 25 August 2025, representing an increase of approximately 449.15%. We have discussed with the Directors and be advised that save for the publication of (i) the voluntary announcement in relation to the strategic cooperation for the Security Token Business and the memorandum of understanding in respect of a possible investment in Esperanza dated 18 August 2025; and (ii) the supplemental announcement on the subscription of convertible bonds under specific mandate dated 19 August 2025, no particular news or announcement were made by the Company on that period and the Directors are not aware of any reason for such surge of the Share price. Then, the closing prices of the Shares was on a sideways position during the period from 25 August 2025 to 10 September 2025. During the period from 10 September 2025 to 16 September 2025, the closing prices of the Shares demonstrated a second surge from HK\$1.570 on 10 September 2025 to HK\$2.270 on 15 September 2025, representing an increase of approximately 44.59% and then dropped back to HK\$1.820 on 16 September 2025. We have also discussed with the Directors and be advised that save for the publication of the announcement in relation to the resignation of Mr. Michael Stockford, a former executive Director dated 10 September 2025, no particular news or announcement were made by the Company on that period and the Directors are not aware of any reason for such fluctuation of the Share price.

After the publishment of the announcement in relation to the Sale and Subscription Agreements on 16 September 2025, the closing price of Shares fluctuated from HK\$1.470 on 25 September 2025 and 26 September 2025 to HK\$2.430 on 8 October 2025 during the Post Announcement Review Period and closed at HK\$1.970 on the Latest Practicable Date. According to the Directors, save for the publication of the following announcements and circular, no particular news or announcement were made by the Company during the Post Announcement Review Period and the Directors are not aware of any reason for such fluctuation of the Share price:

- (i) the Announcements;
- (ii) the announcement in relation to the termination of subscription of convertible bonds under specific mandate dated 18 September 2025;
- (iii) the announcement in relation to the Acquisition dated 29 September 2025;
- (iv) the announcement in relation to the completion of the disposal of entire issued share capital of APEC Business Consultancy Limited dated 3 October 2025;
- (v) the announcement in relation to the update information on the capital reduction of issued Shares and sub-division of unissued Shares dated 9 October 2025;
- (vi) the circular (together with the relevant publications, including the rules relating to the share scheme) in relation to the proposed refreshment of general mandate and the proposed adoption of share scheme dated 13 October 2025;
- (vii) the announcement in relation to the placing of new Shares under general mandate dated 4 November 2025;
- (viii) the announcement in relation to the grant of share options dated 5 November 2025; and
- (ix) the announcement in relation to the update information on the capital reduction of issued Shares and sub-division of unissued Shares dated 14 November 2025.

Historical liquidity of the Shares

We also considered the trading liquidity of the Shares from the average daily trading volume (the “ADTV”) as a percentage to (i) the total number of issued Shares as at the end of the corresponding months/periods; and (ii) the total number of issued Shares held by public Shareholders as at the end of the corresponding months/periods.

Months/Periods	Number of trading days	ADTV of Shares during the months/periods	Percentage of ADTV to the issued Shares % (Note 1)	Percentage of ADTV to the issued Shares held by public Shareholders % (Note 2)
2024				
From 16 September 2024 to 30 September 2024	10	208,223	0.486	0.789
October	21	137,262	0.321	0.520
November	21	47,715	0.111	0.181
December	20	18,282	0.043	0.069
2025				
January	19	33,377	0.078	0.127
February	20	102,253	0.239	0.388
March	21	125,210	0.292	0.475
April	19	633,400	0.370	1.434
May	20	455,070	0.266	1.030
June	21	217,143	0.127	0.492
July	22	203,657	0.119	0.461
August	21	3,518,419	2.054	8.216
From 1 September 2025 to 16 September 2025	12	3,154,117	1.842	7.365
		Maximum	2.054	8.216
		Minimum	0.043	0.069
		Mean	0.488	1.657
The Pre Announcement Review Period	247	621,675	0.363	1.452
From 17 September 2025 to 30 September 2025	10	1,247,220	0.728	2.912
October	20	654,870	0.382	1.529
From 3 November 2025 to the Latest Practicable Date	14	323,114	0.189	0.755
		Maximum	0.728	2.912
		Minimum	0.189	0.755
		Mean	0.433	1.732
The Post Announcement Review Period	44	683,936	0.399	1.597

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

Notes:

1. It is calculated by dividing the average daily trading volume of Shares for the month/period by the total number of Shares in issue at the end of month/period.; and
2. It is calculated by dividing the average daily trading volume of Shares for the month/period by the total number of Shares in issue held by the public Shareholders at the end of month/period.

As illustrated in the table 1 above, the ADTV of the Shares during the Pre Announcement Review Period ranged from approximately 18,282 Shares to approximately 3,518,419 Shares, representing (i) from approximately 0.043% to approximately 2.054% of the total number of the Shares in issue; or (ii) from approximately 0.069% to approximately 8.216% of the total number of Shares held by the public Shareholders. The ADTV of the Shares was approximately 621,675 Shares during the Pre Announcement Review Period, representing approximately 0.363% and 1.452% of the total number of the Shares in issue and the total number of Shares held by the public Shareholders respectively. We noted that 208 out of 247 trading days of the Shares were closed below 621,675 Shares, representing approximately 84.2% of the trading days during the Pre Announcement Review Period. We also noted that (i) except for the month of August 2025 and the period from 1 September 2025 to 16 September 2025, the percentage of ADTV to the issued Shares of the months/period were less than 1%; and (ii) except for the months of April 2025, May 2025 and August 2025 and the period from 1 September 2025 to 16 September 2025, the percentage of ADTV to the issued Shares held by public Shareholders of the months/period were less than 1%.

During the Post Announcement Review Period, the ADTV of the Shares ranged from approximately 323,114 Shares to approximately 1,247,220 Shares, representing (i) from approximately 0.189% to approximately 0.728% of the total number of the Shares in issue; or (ii) from approximately 0.755% to approximately 2.912% of the total number of Shares held by the public Shareholders. The ADTV of the Shares was approximately 683,936 Shares during the Post Announcement Review Period, representing approximately 0.399% and 1.597% of the total number of the Shares in issue and the total number of Shares held by the public Shareholders respectively.

Except for the month of August 2025 and the period from 1 September 2025 to 16 September 2025, the historical trading volume of the Shares during the majority of the Pre Announcement Review Period is relatively thin as compared to the Post Announcement Review Period.

Regarding the relatively high trading volume of the Shares during the month of August 2025, the period from 1 September 2025 to 16 September 2025 and the Post Announcement Review Period, we have discussed with the Directors and be advised that save for the publication of the following announcements and circular, no particular news or announcement were made by the Company during the that period and the Directors are not aware of any reason for such volatility of the trading volume of the Shares:

- (i) the voluntary announcement in relation to the strategic cooperation for the Security Token Business and the memorandum of understanding in respect of a possible investment in Esperanza dated 18 August 2025
- (ii) the supplemental announcement on the subscription of convertible bonds under specific mandate dated 19 August 2025;
- (iii) the announcement in relation to the resignation of Mr. Michael Stockford, a former executive Director dated 10 September 2025;
- (iv) the Announcements;
- (v) the announcement in relation to the termination of subscription of convertible bonds under specific mandate dated 18 September 2025;
- (vi) the announcement in relation to the Acquisition dated 29 September 2025;
- (vii) the announcement in relation to the completion of the disposal of entire issued share capital of APEC Business Consultancy Limited dated 3 October 2025;
- (viii) the announcement in relation to the update information on the capital reduction of issued Shares and sub-division of unissued Shares dated 9 October 2025;
- (ix) the circular (together with the relevant publications, including the rules relating to the share scheme) in relation to the proposed refreshment of general mandate and the proposed adoption of share scheme dated 13 October 2025;
- (x) the announcement in relation to the placing of new Shares under general mandate dated 4 November 2025;
- (xi) the announcement in relation to the grant of share options dated 5 November 2025; and
- (xii) the announcement in relation to the update information on the capital reduction of issued Shares and sub-division of unissued Shares dated 14 November 2025.

Comparable analysis of the Subscription Price

In assessing whether the Subscription Price is fair and reasonable, we have performed an analysis on the comparison between the Subscription and other placing and subscription conducted by other listed companies on the Stock Exchange which were announced from 15 September 2024 to 16 September 2025 (i.e. the date of the Sale and Subscription Agreements), being the twelve months period from the date of the Sale and Subscription Agreements. We identified an exhaustive list of 26 comparables (the “**Shares Issue Comparables**”) based on the selection criteria that (i) the shares of the company are listed on the Stock Exchange; (ii) the placing and subscription of new shares are issued on specific mandate; (iii) the market capitalisation of the company ranges from HK\$50 million to HK\$500 million as at the respective date of placing/subscription agreement; and (iv) the transactions are not involving in (a) the issue of new shares for restructuring scheme, creditors’ scheme, emolument or acquisition purposes, or A shares or domestic shares; and (b) the application for whitewash waiver or general offer obligations under the Takeovers Code.

We consider that the abovementioned selection criteria of the Shares Issue Comparables during the twelve months allows us to (i) capture the Shares Issue Comparables, which could provide a general reference for the recent market practice in relation to the principal terms for placing/subscription of new shares under specific mandate; and (ii) generate a sufficient sample size for the purpose of our comparable analysis. Shall the Shares Issue Comparables be different in their principal activities, business nature, market capitalisations, financial performance and financial positions as compared to the Company, having considered that our analysis is mainly concerned of the principal terms for placing/subscription of new shares under specific mandate under the prevailing market condition and sentiment, we consider that the Shares Issue Comparables can provide a general reference in relation to the terms for placing/subscription of new shares under specific mandate under recent market condition and sentiment. In view of the above, we are of the view that the Shares Issue Comparables are fair and representative.

Details of the Share Issue Comparables are set out below:

No.	Name of company (stock code)	Date of initial announcement	Market capitalisation as at the respective date of the relevant announcement/ agreement	Premium/ (Discount) of subscription price over/to closing price per share on the last trading day prior to/on the date of the relevant announcement/ agreement (%)	Premium/ (Discount) of subscription price over/to average closing price per share on the last 5 consecutive trading days prior to/on the date of the relevant announcement/ agreement (%)	Premium/ (Discount) of subscription price over/to average closing price per share on the last 10 consecutive trading days prior to/on the date of the relevant announcement/ agreement (%)	Premium/ (Discount) of subscription price over/to average closing price per share on the last 30 consecutive trading days prior to/on the date of the relevant announcement/ agreement (%)	Premium/ (Discount) of subscription price over/to net asset value per share based on the latest annual report/ interim report (%)	Connected transaction (Y/N)
1	CircuTech International Holdings Limited (8051)	4/10/2024	72,176	(2.60)	0.30	6.84	8.81	(55.69)	Y
2	Differ Group Auto Limited (6878)	9/10/2024	83,609	(38.20)	(55.30)	(37.21)	(13.25)	(22.04)	N
3	Virtual Mind Holding Company Limited (1520)	10/10/2024	219,584	13.64	38.89	47.06	60.51	61.29	Y
4	Zhi Sheng Group Holdings Limited (8370)	21/10/2024	68,957	(60.53)	(60.63)	(58.79)	(60.09)	25.52	Y
5	Devgreat Group Limited (755)	3/12/2024	238,070	(18.75)	(17.72)	(21.21)	(35.52)	(59.12)	Y
6	CHK Oil Limited (632)	17/1/2025	332,542	5.06	(5.03)	(15.56)	(5.96)	47.16	Y
7	Cornerstone Technologies Holdings Limited (8391)	21/1/2025	476,788	0.00	0.00	(0.99)	(5.30)	481.40	Y

No.	Name of company (stock code)	Date of initial announcement	Market capitalisation as at the respective date of the relevant announcement/ agreement	Premium/ (Discount) of subscription price over/to closing price per share on the last trading day prior to/on the date of the relevant announcement/ agreement (%)	Premium/ (Discount) of subscription price over/to average closing price per share on the last 5 consecutive trading days prior to/on the date of the relevant announcement/ agreement (%)	Premium/ (Discount) of subscription price over/to average closing price per share on the last 10 consecutive trading days prior to/on the date of the relevant announcement/ agreement (%)	Premium/ (Discount) of subscription price over/to average closing price per share on the last 30 consecutive trading days prior to/on the date of the relevant announcement/ agreement (%)	Premium/ (Discount) of subscription price over/to net asset value per share based on the latest annual report/ interim report (%)	Connected transaction (Y/N)
8	China Silver Technology Holdings Limited (515)	7/3/2025	458,986	23.46	53.37	54.56	55.52	222.58	N
9	Acme International Holdings Limited (1870)	17/3/2025	107,328	(19.77)	(3.50)	(66.75)	(88.75)	(21.59)	N
10	Regent Pacific Group Limited (575)	7/4/2025	110,793	0.00	16.00	13.00	11.62	Net liabilities	Y
11	Zhonghua Gas Holdings Limited (8246)	16/4/2025	480,001	0.00	0.00	0.25	6.82	153.19	Y
12	Sunshine Oilsands Ltd. (2012)	28/4/2025	128,557	2.27	18.11	23.12	21.62	40.63	N
13	SuperRobotics Holdings Limited (8176)	7/5/2025	78,360	0.00	(1.80)	(4.46)	(19.95)	Net liabilities	Y
14	Universal Health International Group Holding Limited (2211)	13/5/2025	64,886	(1.23)	2.83	(2.20)	(23.59)	(82.72)	N
15	Brightstar Technology Group Co., Ltd. (8446)	13/5/2025	112,511	11.38	10.48	5.87	2.24	(62.97)	Y

No.	Name of company (stock code)	Date of initial announcement	Market capitalisation as at the respective date of the relevant announcement/ agreement	Premium/ (Discount) of subscription price over/to closing price per share on the last trading day prior to/on the date of the relevant announcement/ agreement (%)	Premium/ (Discount) of subscription price over/to average closing price per share on the last 5 consecutive trading days prior to/on the date of the relevant announcement/ agreement (%)	Premium/ (Discount) of subscription price over/to average closing price per share on the last 10 consecutive trading days prior to/on the date of the relevant announcement/ agreement (%)	Premium/ (Discount) of subscription price over/to average closing price per share on the last 30 consecutive trading days prior to/on the date of the relevant announcement/ agreement (%)	Premium/ (Discount) of subscription price over/to net asset value per share based on the latest annual report/ interim report (%)	Connected transaction (Y/N)
16	Dowway Holdings Limited (8403)	27/5/2025	190,400	(18.57)	(19.61)	(19.09)	(14.58)	3,700.00 (excluded outlier)	Y
17	New City Development Group Limited (456)	18/6/2025	62,284	(4.95)	(7.53)	(12.99)	(8.26)	(77.65)	Y
18	CT Vision S.L. (International) Holdings Limited (994)	8/7/2025	142,913	133.77	104.08	100.00	91.49	218.58	Y
19	National United Resources Holdings Limited (254)	16/7/2025	184,280	(4.76)	(2.91)	(1.23)	(0.99)	111.42	N
20	Ev Dynamics (Holdings) Limited (476)	18/7/2025	154,346	(33.80)	(36.30)	(29.13)	(5.86)	(87.96)	N
21	Tesson Holdings Limited (1201)	25/7/2025	131,811	(16.67)	(19.87)	(16.94)	(10.87)	(2.72)	Y
22	Purapharm Corporation Limited (1498)	25/7/2025	180,133	(5.50)	(5.50)	(5.39)	(7.92)	53.02	N

No.	Name of company (stock code)	Date of initial announcement	Market capitalisation as at the respective date of the relevant announcement/ agreement	Premium/ (Discount) of subscription price over/to closing price per share on the last trading day prior to/on the date of the relevant announcement/ agreement (%)	Premium/ (Discount) of subscription price over/to average closing price per share on the last 5 consecutive trading days prior to/on the date of the relevant announcement/ agreement (%)	Premium/ (Discount) of subscription price over/to average closing price per share on the last 10 consecutive trading days prior to/on the date of the relevant announcement/ agreement (%)	Premium/ (Discount) of subscription price over/to average closing price per share on the last 30 consecutive trading days prior to/on the date of the relevant announcement/ agreement (%)	Connected transaction (Y/N)	
23	China Kingstone Mining Holdings Limited (1380)	22/8/2025	62,951	4.71	3.00	4.83	3.49	(20.54)	N
24	New Concepts Holdings Limited (2221)	25/8/2025	160,832	13.64	14.94	12.36	28.53	(51.69)	Y
25	Renze Harvest International Limited (1282)	26/8/2025	407,360	(15.80)	(19.50)	(21.18)	(23.03)	(93.86)	N
26	Web3 Meta Limited (8093)	15/9/2025	81,639	(19.19)	(19.35)	(22.63)	(22.71)	19.76	N
			Maximum	133.77	104.08	100.00	91.49	481.40	
			Minimum	(60.53)	(60.63)	(66.75)	(88.75)	(93.86)	
			Mean	(2.02)	(0.48)	(2.61)	(2.15)	34.61	
	The Company (8365)	16/9/2025	311,710	(34.07)	(37.57)	(30.88)	3.81	60.64	Y

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

The table above shows a detailed overview of the subscription prices of the Share Issue Comparables in relation to their respective closing prices as at the respective dates of the relevant announcements/agreements. The subscription price to the closing price as at the respective date of the relevant announcement/agreement of the Share Issue Comparables ranged from a premium of approximately 133.77% to a discount of approximately 60.53%, with an average discount of approximately 2.02%.

The subscription price to the average closing price for the last 5 consecutive trading days immediately prior to/on the date of the relevant announcement/agreement of the Share Issue Comparables ranged from a premium of approximately 104.08% to a discount of approximately 60.63%, with an average discount of approximately 0.48%. The subscription price to the average closing price for the last 10 consecutive trading days immediately prior to/on the date of the relevant announcement/agreement of the Share Issue Comparables ranged from a premium of approximately 100.00% to a discount of approximately 66.75%, with an average discount of approximately 2.61%.

As a result, the discounts represented by the Subscription Price to the closing price on the date of the Sale and Subscription Agreements, the average closing price for the last 5 consecutive trading days immediately prior to the date of the Sale and Subscription Agreements and the average closing price for the last 10 consecutive trading days immediately prior to the date of the Sale and Subscription Agreements of approximately 34.07%, 37.57% and 30.88% respectively fall within the respective range of the Share Issue Comparables but represent a deeper discounts than the respective average discounts of the Share Issue Comparables. In view of that, we considered that the aforementioned discounts represented by the Subscription Price may not be favourable condition prior to considering other factors.

However, as mentioned in the Letter from the Board, the Subscription Price was determined with reference to, among others, the Sale Price, the recent market prices of the Shares, and the prevailing market volatility and conditions. In particular, regard was given to the closing prices during the key negotiation period, being the first week of September 2025 at an average closing price of approximately HK\$1.55, with a discount of approximately 22.6% applied after due consideration of the significant share price volatility observed in the preceding month, during which the Share price fluctuated from a low of HK\$0.25 to a high of HK\$1.63. As analyzed in the above sub-paragraph headed “Historical price of the Shares” in this paragraph, the Shares price demonstrated two surges of closing prices during the period from 14 August 2025 to 16 September 2025 which is in line with the Board’s view of taking into account the prevailing volatility of the Share price during the first week of September 2025 when determining the Subscription Price.

In light of this, we have broadened our comparison between the subscription price and the average closing price for the last 30 consecutive trading days immediately prior to/on the date of the relevant announcement/agreement of the Share Issue Comparables. The subscription price to the average closing price for the last 30 consecutive trading days immediately prior to/on the date of the relevant announcement/agreement of the Share Issue Comparables ranged from a premium of approximately 91.49% to a discount of approximately 88.75%, with an average discount of approximately 2.15%. The Subscription Price represents a premium of approximately 3.81% over the average closing price for the last 30 consecutive trading days immediately prior to the date of the Sale and Subscription Agreements, which is better than the average discount of the Share Issue Comparables.

Furthermore, when comparing the subscription prices of the Share Issue Comparables to the net asset value per share based on the latest annual report/interim report, the results showed a range from a premium of approximately 481.40% to a discount of approximately 93.86%, with an average premium of approximately 34.61%. Based on the above, the Subscription Price reflects a premium of approximately 60.64% over the unaudited consolidated net asset value attributable to the Shareholders as at 31 March 2025, which is better than the average premium of the Share Issue Comparables.

In summary, as mentioned in the the above sub-paragraph headed “Historical price of the Shares” in this paragraph, we observed that the historical performance of the Share prices has been characterised by the sudden surges and fluctuation on the closing price of Shares during the period from 14 August 2025 to 16 September 2025. Such sudden surges and fluctuation, representing a high level of volatility, often lead to the increased uncertainty in pricing and resulting in difficulty for the investors to assess the fair value of the Shares accurately. Moreover, in such conditions, investors may expect a higher return to compensate for the increased risk of investing in a share. As a result, we consider that such high level of volatility presents notable challenges in determining the fair value of Shares, leading to a substantial adjustment in evaluation.

Other terms of the Sale and Subscription Agreements

Furthermore, we have also reviewed other terms of the Sale and Subscription Agreements, including, among others, the conditions precedent, and nothing has come to our attention that they are not on normal commercial terms. For details, please refer to the paragraph headed “Conditions precedent of the Sale and Subscription Agreements” in the Letter from the Board.

Our view

Despite the discounts represented by the Subscription Price to the closing price on the date of the Sale and Subscription Agreements, the average closing price for the last 5 consecutive trading days immediately prior to the date of the Sale and Subscription Agreements and the average closing price for the last 10 consecutive trading days immediately prior to the date of the Sale and Subscription Agreements of approximately 34.07%, 37.57% and 30.88% respectively represent a deeper discounts than the respective average discounts of the Share Issue Comparables, having considered that

- (i) the Subscription Price represents a premium over the majority of the closing prices per Share throughout the Pre Announcement Review Period and the net asset value per Share;
- (ii) the Shares have been trading at a deeper discount to the net asset value per Share during the majority of the Pre Announcement Review Period;
- (iii) the closing price of the Shares was generally in a sideways trend from 16 September 2024 to 14 August 2025, representing the majority of the Pre Announcement Review Period;

- (iv) except for the month of August 2025 and the period from 1 September 2025 to 16 September 2025, the historical trading volume of the Shares during the majority of the Pre Announcement Review Period is generally thin;
- (v) the premium represented by the Subscription Price over the average closing price for the last 30 consecutive trading days immediately prior to the date of the Sale and Subscription Agreements, which is better than the average discount of the Share Issue Comparables;
- (vi) the premium represented by the Subscription Price over the unaudited consolidated net asset value attributable to the Shareholders as at 31 March 2025, which is better than the average premium of the Share Issue Comparables;
- (vii) the Subscription would strengthen the capital base and financial position of the Group;
- (viii) the reasons for the Disposal and the Subscription as discussed in the paragraph headed “3. Reasons for the Disposal and the Subscription and use of proceeds” above in this letter; and
- (ix) the conditions precedent of the Sale and Subscription Agreements are on normal commercial terms,

we consider that the potential advantages of the Subscription considerably outweigh the costs associated with offering a discount on the Subscription Price. Accordingly, we are of the view that the principal terms of the Sale and Subscription Agreements (including the Subscription Price) are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned.

5. Potential dilution on shareholdings of the Shareholders

As illustrated in the section headed “Effect on the shareholding structure” in the Letter from the Board, assuming that the New Shares are issued in full and there will be no change to the total number of issued Shares other than the allotment and issue of the New Shares from the Latest Practicable Date to the date of completion of the Subscription,

- (i) immediately after completion of the Disposal but before the completion of the Subscription, the shareholding of the Company’s existing public Shareholders will remain at approximately 25.01%; and
- (ii) immediately after completion of the Disposal and the Subscription, the shareholding of the Company’s existing public Shareholders will be diluted from approximately 25.01% as at the Latest Practicable Date to approximately 23.69%, representing a dilution effect on shareholding of approximately 1.32%.

We are aware of the potential dilution effect as a result of the Disposal and the Subscription. Nonetheless, we consider that the foregoing should be balanced by the following factors (i) the factors as discussed in the paragraph headed “3. Reasons for the Disposal and the Subscription and use of proceeds” above in this letter; (ii) the principal terms of the Sale and Subscription Agreements (including the Subscription Price) are on normal commercial terms, fair and reasonable as discussed in the paragraph headed “4. Principal terms of the Sale and Subscription Agreements” above in this letter; (iii) the Subscription would strengthen the capital base and financial position of the Group; and (iv) the positive impact on the financial position of the Group and the net asset value attributable to owners of the Company per Share as a result of the Subscription as discussed in the paragraph headed “6. Possible financial effect of the Disposal and the Subscription” below in this letter. Having considered the above, we consider that the dilution effect on the shareholding interests of the Company’s existing public Shareholders as a result of the Disposal and the Subscription is acceptable.

6. Possible financial effect of the Disposal and the Subscription

Upon completion of the Disposal and the Subscription, it is anticipated that the Group’s net assets and the cash and cash equivalents would increase by approximately HK\$11.3 million, representing the estimated net proceeds from the Subscription. Based on the above analysis, we anticipate that the Disposal and the Subscription would have a positive impact on the Group’s financial position.

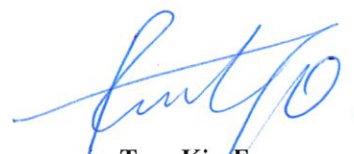
For illustration purpose only, as at 31 March 2025, the Group had unaudited consolidated net asset value attributable to owners of the Company of approximately HK\$127,871,000. Assuming completion of the Disposal and the Subscription took place on 31 March 2025, the unaudited consolidated net asset value attributable to owners of the Company would increase from approximately HK\$127.9 million to HK\$139.2 million. The unaudited consolidated net asset value attributable to owners of the Company per Share as at 31 March 2025 was approximately HK\$0.747. Assuming completion of the Disposal and the Subscription took place on 31 March 2025, the unaudited consolidated net asset value attributable to owners of the Company per Share would increase from approximately HK\$0.747 to HK\$0.770.

Shareholders should be noted that the abovementioned analysis is for illustrative purpose only and does not purport to represent how the financial position of the Company would be upon completion of the Disposal and the Subscription.

RECOMMENDATION

Having taken into consideration of the above factors and reasons, we concur with the Directors' view that although the entering of the Sale and Subscription Agreements, including the Disposal, the Subscription and the Specific Mandate contemplated thereunder are not in the ordinary and usual course of the Group's business, the Sale and Subscription Agreements, including the Disposal, the Subscription and the Specific Mandate contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend (i) the Independent Board Committee to advise the Independent Shareholders; and (ii) the Independent Shareholders, to vote in favour of the relevant resolution(s) at the EGM to approve the Sale and Subscription Agreements, including the Disposal, the Subscription and the Specific Mandate contemplated thereunder.

Yours faithfully,
For and on behalf of
Dakin Capital Limited



Tam Kin Fong
Managing Director

Note: Mr. Tam Kin Fong is a responsible officer of Dakin Capital Limited, which is licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has been active in the field of corporate finance advisory for over 20 years, and has been involved in and completed various corporate finance advisory transactions.