

26 November 2025

*To the Independent Board Committee and the Independent Shareholders of
GoFintech Quantum Innovation Limited*

Dear Sir or Madam,

**CONNECTED TRANSACTION
LOAN CAPITALISATION
INVOLVING THE ISSUE OF NEW SHARES
UNDER SPECIFIC MANDATE**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Loan Capitalisation Agreement and the transactions contemplated thereunder, including the Loan Capitalisation and the issue of the Capitalisation Shares under the Specific Mandate, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 26 November 2025 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, the Lender is a substantial shareholder of the Company, who directly and through corporations controlled by him holds 1,592,343,151 Shares, representing approximately 17.49% of the entire issued share capital of the Company. Thus, the Lender is a connected person of the Company and the Loan Capitalisation constitutes a non-exempt connected transaction of the Company under Chapter 14A of the Listing Rules and therefore is subject to the reporting, announcement and Independent Shareholders’ approval requirements under the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Directors has any material interest in the Loan Capitalisation Agreement and the transactions contemplated thereunder, together with the allotment and issue of the Capitalisation Shares or is otherwise required to abstain from voting on the relevant resolution(s) of the Board.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive directors of the Company (i.e. Mr. CHIU Kung Chik, Ms. LUI Mei Ka and Dr. LIANG Jinxiang) has been formed to consider, and make recommendations to Independent Shareholders regarding, amongst other things, whether the terms of the Loan Capitalisation Agreement and the transactions contemplated thereunder, together with the allotment and issue of the Capitalisation Shares under the Specific Mandate are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

OUR INDEPENDENCE

During the past two years immediately preceding the IFA Obligation Commencement Time (as defined under Rule 13.84 of the Listing Rule), apart from our appointment as the independent financial adviser of the Company to advise the then independent board committee and the independent shareholders of the Company in relation to (i) the very substantial acquisition and connect transaction, details of which are set out in the circular of the Company dated 17 September 2024; (ii) the proposed rights issue, details of which are set out in the circular of the Company dated 1 December 2023; and (iii) the proposed refreshment of general mandate, details of which are set out in the circular of the Company dated 20 June 2023, we have not acted in any capacity in relation to any transactions of the Company. As at the Latest Practicable Date, we do not have any relationship with, or have any interest in, the Group and its associates that could reasonably be regarded as relevant to our independence. Apart from the normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no other arrangement exists whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence as defined under Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group (the “**Management**”); and (iv) our review of the relevant public information.

We have assumed that all the information provided, and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon and continue to be so up to the date of the EGM. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and continue to be so up to the date of the EGM and all such statements of belief, opinions and intentions of the Directors and the Management and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the Management. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the Management are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the EGM. Independent Shareholders will be informed of any material change of information and the representations made or referred to in the Circular as soon as possible up to the date of the EGM.

We consider that we have reviewed the relevant information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. In formulating our recommendation in relation to the Loan Capitalisation Agreement and the transactions contemplated thereunder, including the Loan Capitalisation and the issue of the Capitalisation Shares under the Specific Mandate and pursuant to Rule 13.80(2), we have obtained and reviewed the relevant information in relation to the Loan Capitalisation Agreement and the transactions contemplated thereunder, including the Loan Capitalisation and the issue of the Capitalisation Shares under the Specific Mandate, among others, (i) the annual report for the year ended 31 March 2025 of the Company (the “**2025 Annual Report**”); (ii) the interim report for the six months ended 30 September 2024 of the Company (the “**2024 Interim Report**”); (iii) the annual report for the year ended 31 March 2024 of the Company (the “**2024 Annual Report**”); (iv) the recent announcements of the Company; and (v) the information set out in the Circular.

We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter. We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made, or opinion expressed by the Directors and the Management, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group, or any of its respective substantial shareholders, subsidiaries or associates.

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Loan Capitalisation and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendations to the Independent Shareholders, we have taken into consideration the following principal factors and reasons. Our conclusions are based on the results of all analyses taken as a whole.

1 BACKGROUND INFORMATION OF THE COMPANY

1.1 Information of the Company and the Group

The Company is an investment holding company whereas the Group is a cross-border, cross-industry investment platform based in Hong Kong with focus on financial technology innovation, backed by the Greater Bay Area, and with focus on the international market. The Group has a strong presence in the financial services sector, comprising subsidiaries which (i) are corporations licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (Advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO; and (ii) provide money lending services. The principally-engaged businesses of the Group include investment banking, securities brokerage, asset management, margin financing, insurance brokerage, money lending, debt and equity investment and immigration consulting.

1.2 Financial Performance on the Group

FY2025 vs FY2024

With reference to the 2025 Annual Report, for the year ended 31 March 2025 (“**FY2025**”), the Group recorded revenue and fair value change of investments at fair value through profit or loss in the aggregate amount of approximately HK\$913,545,000, representing an increase of approximately 1,887.05% from approximately HK\$45,975,000 for the year ended 31 March 2024 (“**FY2024**”). The increase was mainly attributable to increased revenue from money lending business and revenue from the supply chain operations business, as well as increased revenue and net gains on investments at fair value through profit or loss from the equity investment business of the Group.

The Group recorded a loss of approximately HK\$2,525,000 for the FY2025, as compared to the loss of approximately HK\$30,679,000 for FY2024. The overall loss position of the Group has improved in FY2025 mainly due to the improved revenue and increase of gains from investments of the Group.

The business of securities brokerage and margin financing is one of the main revenue streams of the Group. During FY2025, the business of securities brokerage and margin financing recorded revenue (including inter-segment revenue) of approximately HK\$20,884,000, representing a decrease of approximately 43.63% as compared to the revenue (including intersegment revenue) and net investment loss of approximately HK\$37,051,000 in total for the year ended 31 March 2024.

The segment profit for FY2025 amounted to approximately HK\$11,938,000 (2024: approximately HK\$8,572,000). The increase of segment profit was mainly attributable to the reduced operating costs during FY2025.

The corporate finance market was under a keen competition during FY2025. Segment revenue from corporate finance business decreased by approximately 50.46% from approximately HK\$4,719,000 to approximately HK\$2,338,000, while the segment profit for FY2025 amounted to approximately HK\$1,517,000 (2024: segment loss of approximately HK\$2,789,000). The turnaround from loss to profit during FY2025 was mainly attributable to the reduced operating costs of the corporate finance business segment.

During FY2025, the money lending market was under intensive competition locally. The Group recorded an interest revenue from money lending business of approximately HK\$15,969,000 (2024: approximately HK\$4,542,000), representing an increase of approximately 251.59% as compared to the year ended 31 March 2024. The segment profit for FY2025 amounted to approximately HK\$1,724,000 (2024: segment loss of approximately HK\$476,000). The turnaround from loss to profit during FY2025 was mainly attributable to the significant increase in interest revenue recorded.

During FY2025, the Group recorded a segment revenue (including inter-segment revenue) from consultancy services and insurance brokerage services of approximately HK\$379,000 (2024: approximately HK\$611,000), representing a reduction of approximately 37.97% as compared to 2024. The segment loss for FY2025 was approximately HK\$98,000 (2024: approximately HK\$196,000).

During FY2025, the Group recorded a segment revenue from asset management of approximately HK\$3,900,000 (2024: approximately HK\$4,784,000), representing a decrease of approximately 18.48% as compared to 2024. The segment loss for FY2025 was approximately HK\$1,568,000 (2024: approximately HK\$1,262,000). The increase of loss was mainly due to reduced segment revenue as a result of reduced management fee income generated during FY2025.

During FY2025, the Group recorded a segment revenue and net investment gains from equity investment of net amount of approximately HK\$51,983,000 (2024: net investment loss of approximately HK\$3,453,000). The segment profit for FY2025 amounted to approximately HK\$19,311,000 (2024: segment loss of approximately HK\$7,244,000). The improvement of segment results was mainly attributable to gains recognised from investments at fair value through profit or loss during FY2025.

During FY2025, the Group has engaged in the supply chain operations business which mainly matches the upstream and downstream of the supply chain, provides integrated services of optimized order management, procurement execution, and logistics management. The supply chain operations business currently mainly involves in the sales and purchase and integrated services of bulk commodities and precious metals. During FY2025, the Group recorded a segment revenue from supply chain operations of approximately HK\$819,545,000. The segment loss for FY2025 was approximately HK\$294,000.

The Supply Chain Operations Business operates based on certain long-term clients, whom in turn provides stable operation foundations and income source for the Group. In terms of business model, the Group would firstly conduct market research, where the Group clarifies on the potential customers' need of commodities (under the Supply Chain Operations Business engaged by the Company, bulk commodities such as coal, electrolytic copper and electrolytic nickel were involved, serving for purposes such as energy provision or heavy industry), and seeks suppliers' quotations on target commodities' acquisition. During the price quotation process, the Group would also comprehensively consider factors such as price, quality, delivery period in order to ensure customers' satisfaction. Where applicable, the Group would provide credit guarantee or guarantee deposit to ensure the stability of the supply chain. Subsequent to the confirmation of suppliers of commodities, procurement contracts would be executed with suppliers to secure the key terms such as specifications of commodities, quantities, price, delivery period, payment terms, to ensure transparency during the procurement process.

Simultaneously, the Group proactively seek for buyers with such needs of commodities via market and business development, and negotiate prior to reaching consensual terms of specifications of commodities, quantities, price, delivery period and payment terms. During negotiations, the Group would conduct due diligence on the potential buyers' credibility to minimize transactional risks of non-payment. Subsequent to receiving from the buyers such payment for commodities acquired, the Group would in exchange provide the ownership documentations to the relevant buyers, which in turn signifying the exchange of ownership and risks. After the entire transaction is completed, the Group make account for the revenue according to the relevant accounting principles applicable.

During FY2025, the Group has diversified its businesses and has engaged in artwork trading through the art and asset sales business. The Group's strategy is to invest in artworks with collection value and has sourced and purchased jade, ceramics and other collectible artworks with good value for money in the market, while increasing the frequency of communication among potential customers at the same time to match interested buyers. Profit from the art and asset sales segment was HK\$504,000 during FY2025, which was mainly resulted from the fair value gain of the investments in artworks by the Group during FY2025.

During FY2025, the Group mainly financed its operations by cash generated from operating activities and proceeds from fund raising activities.

As at 31 March 2025, the Group's current assets and current liabilities were approximately HK\$841,714,000 (as at 31 March 2024: approximately HK\$864,100,000) and approximately HK\$678,890,000 (as at 31 March 2024: approximately HK\$290,652,000) respectively, while the current ratio was about 1.24 times (as at 31 March 2024: 2.97 times). As at 31 March 2025, the Group's aggregate cash and cash equivalents amounted to approximately HK\$92,186,000 (as at 31 March 2024: approximately HK\$289,257,000).

Interim 2024 vs Interim 2023

For the six months ended 30 September 2024 (the “**Interim 2024**”), revenue and net gains on investments at fair value through profit or loss of the Group amounted to HK\$37,174,000, representing an increase of 327.88% as compared to HK\$8,688,000 for the six months ended 30 September 2023.

The Group recorded a loss of HK\$10,909,000 for the Interim 2024, which amounts to a decrease of 37.39% in loss, as compared to a loss of HK\$17,425,000 for the corresponding period in 2023. The improvement in losses for the Interim 2024 were mainly due to (i) an increase in revenue and net gains on investments at fair value through profit or loss; and (ii) an increase in net other income mainly consisted of interest revenue from financial institutions as compared to those for the same period in 2023.

During the Interim 2024, the business of securities brokerage and margin financing recorded revenue (including inter-segment revenue) and net losses on investments at fair value through profit or loss in a net amount of HK\$10,627,000, representing a decrease of 10.55% as compared to revenue and net investment gains of HK\$11,881,000 for the corresponding period in 2023.

The segment profit for the Interim 2024 amounted to HK\$10,255,000, representing an increase of 115.35% as compared to a segment profit amounted to HK\$4,762,000 for the corresponding period in 2023. The increase in segment profit was mainly contributed from the increase in interest revenue from financial institutions.

The corporate finance market was under keen competition during the Interim 2024. Segment revenue from corporate finance business decreased by 23.75% from HK\$1,701,000 to HK\$1,297,000 while the segment loss for the Interim 2024 amounted to HK\$1,962,000, representing an increase of 21.94% as compared to a segment loss of HK\$1,609,000 for the corresponding period in 2023. The increase in segment loss was mainly due to the decrease in service income from corporate finance.

During the Interim 2024, there was intense competition in the money lending market. The Group recorded an interest revenue from money lending of HK\$8,439,000 (six months ended 30 September 2023: HK\$1,837,000), representing an increase of 359.39% as compared to the corresponding period in 2023. The segment profit for the Interim 2024 amounted to HK\$8,307,000 (six months ended 30 September 2023: HK\$1,703,000).

During the Interim 2024, the Group recorded a segment revenue (including inter-segment revenue) from consultancy and insurance brokerage services of HK\$344,000 (six months ended 30 September 2023: HK\$374,000), representing a decrease of 8.02% as compared to the corresponding period in 2023. The segment loss for the Interim 2024 amounted to HK\$56,000 (six months ended 30 September 2023: HK\$50,000).

During the Interim 2024, the Group recorded a segment revenue from asset management of HK\$1,941,000 (six months ended 30 September 2023: HK\$2,624,000), representing a decrease of 26.03% as compared to the corresponding period in 2023. The segment profit for the Interim 2024 amounted to HK\$193,000 (six months ended 30 September 2023: HK\$265,000).

During the Interim 2024, the Group recorded a segment revenue and net gains on investments at fair value through profit or loss from equity investment of HK\$14,105,000 (six months ended 30 September 2023: segment revenue and net losses on investments at fair value through profit or loss HK\$9,661,000), representing an increase of 46.00% as compared to the corresponding period in 2023. The segment profit for the Interim 2024 amounted to HK\$14,637,000 (six months ended 30 September 2023: segment loss HK\$9,977,000).

During the Interim 2024, the Group mainly financed its operations by cash generated from operating activities and proceeds from fund raising activities.

As at 30 September 2024, the Group's current assets and current liabilities were HK\$720,537,000 (as at 31 March 2024: HK\$864,100,000) and HK\$216,851,000 (as at 31 March 2024: HK\$290,652,000) respectively, while the current ratio was 3.32 times (as at 31 March 2024: 2.97 times).

As at 30 September 2024, the Group's aggregate cash and cash equivalents amounted to HK\$121,241,000 (as at 31 March 2024: HK\$289,257,000).

FY2024 vs FY2023

With reference to the 2024 Annual Report, for the FY2024, the Group recorded revenue and net losses on investments at fair value through profit or loss in the net amount of approximately HK\$45,975,000, representing an increase of approximately 106.05% from approximately HK\$22,313,000 for the year ended 31 March 2023. The increase was mainly attributable to the increase in income generated from the securities brokerage business as well as interest revenue from the money lending business.

The business of securities brokerage and margin financing is one of the main revenue streams of the Group. During FY2024, the business of securities brokerage and margin financing recorded revenue (including inter-segment revenue) and net investment losses of net amount of approximately HK\$37,051,000, representing an increase of approximately 406.92% as compared to the revenue (including inter-segment revenue) and net investment gains of approximately HK\$7,309,000 in total in 2023.

The segment profit for FY2024 amounted to approximately HK\$8,572,000 (2023: segment loss of approximately HK\$12,428,000). The turnaround from segment loss to profit was mainly attributable to the increase in income from the securities brokerage business.

The corporate finance market was under keen competition during FY2024. Segment revenue (excluded inter-segment revenue) from corporate finance business decreased by approximately 13.32% from approximately HK\$5,444,000 to approximately HK\$4,719,000, while the segment loss for FY2024 amounted to approximately HK\$2,789,000 (2023: segment profit of approximately HK\$14,446,000). By excluding the inter-segment revenue, the segment loss was approximately HK\$8,504,000 in 2023.

During FY2024, the money lending market was under intensive competition locally. The Group recorded an interest revenue from money lending business of approximately HK\$4,542,000 (2023: approximately HK\$2,788,000), representing an increase of approximately 62.91% as compared to 2023. The segment loss for FY2024 amounted to approximately HK\$476,000 (2023: approximately HK\$3,005,000).

During FY2024, the Group recorded a segment revenue (including inter-segment revenue) from consultancy services and insurance brokerage services of approximately HK\$611,000 (2023: approximately HK\$813,000), representing a reduction of approximately 24.85% as compared to 2023. The segment loss for FY2024 was approximately HK\$196,000 (2023: approximately HK\$67,000).

During FY2024, the Group recorded a segment revenue from asset management of approximately HK\$4,784,000 (2023: approximately HK\$10,885,000), representing a decrease of approximately 56.05% as compared to 2023. The decrease in segment revenue was mainly attributable to decrease in management fee income generated during FY2024. The segment loss for FY2024 was approximately HK\$1,262,000 (2023: approximately HK\$91,000).

During FY2024, the Group recorded a segment revenue and net investment loss from equity investment of net amount of approximately HK\$3,453,000 (2023: approximately HK\$4,500,000). The segment loss for FY2024 amounted to approximately HK\$7,244,000 (2023: approximately HK\$5,149,000).

The Group recorded a loss of approximately HK\$30,679,000 for FY2024, as compared to the loss of approximately HK\$58,855,000 in 2023. The overall loss position of the Group has improved in FY2024 mainly due to (i) an increase in revenue generated from the licensed businesses of the Group; (ii) an increase in other income which was mainly consisted of gain on bargain purchase of an associate and interest revenue from financial institutions; (iii) a decrease in expected credit losses on loan and trade receivables; and (iv) a decrease in both staff costs and finance costs during FY2024.

During FY2024, the Group mainly financed its operations by cash generated from operating activities and proceeds from fund-raising activities.

As at 31 March 2024, the Group's current assets and current liabilities were approximately HK\$864,100,000 (as at 31 March 2023: approximately HK\$369,299,000) and approximately HK\$290,652,000 (as at 31 March 2023: approximately HK\$177,169,000) respectively, while the current ratio was about 2.97 times (as at 31 March 2023: 2.08 times).

As at 31 March 2024, the Group's aggregate cash and cash equivalents amounted to approximately HK\$289,257,000 (as at 31 March 2023: approximately HK\$111,748,000), of which approximately 98.22% was denominated in Hong Kong dollars ("HK\$") (as at 31 March 2023: approximately 82.48%), approximately 1.47% was denominated in United States dollars ("USD") (as at 31 March 2023: approximately 11.88%), approximately 0.27% was denominated in Renminbi ("RMB") (as at 31 March 2023: 5.52%), and approximately 0.04% was denominated in SGD (as at 31 March 2023: approximately 0.12%), representing 33.47% (as at 31 March 2023: approximately 30.26%) of total current assets. As at 31 March 2024, the Group had no bank borrowing (as at 31 March 2023: nil).

For further information on the Group's recent developments on its business, please refer to the section headed "REVIEW ON THE GROUP'S BUSINESSES" in the Circular.

1.3 Information of the Lender

As at the Latest Practicable Date, the Lender is a substantial shareholder of the Company, who directly and through corporations controlled by him holds 1,592,343,151 Shares, representing approximately 21.24% of the entire issued share capital of the Company.

Save and except for the Lender, all the borrowings of the Group have been made with Independent Third Parties.

2 REASONS FOR AND BENEFITS OF THE LOAN CAPITALISATION AND OUR ASSESSMENT

2.1 Reasons for and Benefits of the Loan Capitalisation

As disclosed in the 2025 Annual Report, the Group recorded bank balances and cash in the amount of approximately HK\$92.86 million (and such amount are approximately HK\$314.60 million and approximately HK\$52.82 million as at the date of the Announcement and as at the Latest Practicable Date respectively), it is therefore the intention of the Company to reserve the same for the business operations and working capital requirements in respect of the Group's principally engaged businesses, including but not limited to securities brokerage, asset management, money lending and debt and equity investments.

Accordingly, taking into account the financial position of the Group, the Company considers that the Loan Capitalisation will allow the Company to settle the Repayment Amount under the Shareholder's Facilities without obtaining additional bank borrowing and incurring additional finance costs nor utilising existing financial resources of the Group which could otherwise be retained for general working capital and business development,

while improving the gearing level and hence strengthening the financial position of the Group. With reference to the gearing ratio as at 31 March 2025 reported in the 2025 Annual Report, it is estimated that the gearing ratio, measured on the basis of total borrowings (including borrowings, lease liabilities and corporate bonds) as a percentage of equity attributable to owners of the Company being approximately 10.97% as at 31 March 2025 will be decreased to 1.41% upon completion of the Loan Capitalisation.

While the Lender has expressed to the Company his intention to capitalise the Repayment Amount and increase his equity investment in the Company given his confidence in the Group's future business performance, the Company considers that the subscription of Shares by the Lender reflects his confidence towards the long-term and sustainable growth of the Group, and the continuing support of the Lender would be beneficial to the long-term business development of the Group.

2.2 Fund Raising Alternatives

In respect of equity financing, considering that (i) pre-emptive fundraising methods such as rights issue or open offer normally take at least six weeks, and lengthy discussions with potential commercial underwriters may also be involved; (ii) additional costs, including but not limited to underwriting commission and other professional fees may be incurred; (iii) it would be difficult for the Company to engage placing agent for share placement or underwriter for rights issue/open offer without offering a considerable discount to attract subscription in light of the trading volume of the Shares alongside the recent market sentiment; and (iv) rights issue, open offer and placement of new Shares may be subject to underwriting uncertainty and market risk, the Company considers equity financing not being a viable financing alternative for the Group.

In respect of debt financing and bank borrowings, the Company has not approached any alternative financial institution on the same, considering that (i) one of the rationales for the Loan Capitalisation is to improve the Group's gearing level which could not be achieved by debt financing; (ii) the Loan Capitalisation does not incur any interest expenses and other costs on the Group (except for the professional fees and related expenses for the Loan Capitalisation) as compared with bank financing or the issue of bonds; and (iii) bank financing generally involves pledge of assets and/or securities which may reduce the Group's financial flexibility.

In view of the above, it is contemplated that equity financing will be relatively more time consuming and less cost effective than Loan Capitalisation and neither equity financing nor debt financing and bank borrowings is a viable financing alternative for the Group.

Moreover, with the Loan Capitalisation, (i) as delineated below, it has such advantages on the Group (including but not limited to the improvement of financial position of the Group by avoiding the incurring of interest expenses in the long run if the

Shareholder's Facilities remain outstanding); (ii) the Lender has expressed his intention to capitalise the Shareholder's Facilities and increase his equity investment in the Company with a considerable premium over the prevailing market price of the Shares as at the date of the Loan Capitalisation Agreement, reflecting his confidence in the Group's future business performance; and (iii) it does not represent that the Loan Agreements are to be terminated as loan facilities may be provided continuously on the terms and conditions of the Loan Agreements.

Meanwhile, although the allotment and issue of the Capitalisation Shares under the Loan Capitalisation will dilute the interest of the Company's existing Shareholders, the Company considers that the Loan Capitalisation would be the best financing option as compared to the above financing alternatives, having considered that (i) the impact of dilution being minimal of approximately 3.07% (taking into account the 5,815,670,591 Shares held by Shareholders other than Dr. Liu, Wealthink-AI and Stratus One and assuming no change in the total number of issued Shares other than the allotment and issue of the Capitalisation Shares up to Completion) can be outweighed by the advantages of Loan Capitalisation elaborated in this circular; (ii) the Loan Capitalisation will not cause any change to the single largest shareholder; (iii) the Repayment Amount of approximately HK\$587.225 million will be settled upon the issue of the Capitalisation Shares without requiring any cash outflow on the Company (save for settling the professional fees and related expenses for the Loan Capitalisation which amount to approximately HK\$0.2 million); and (iv) the Loan Capitalisation will improve the gearing ratio of the Group and enhance the financial position of the Group.

2.3 The Shareholder's Facilities

As at the Latest Practicable Date, the Company was indebted to the Lender with outstanding principal amount and accrued interest under the Shareholder's Facilities in the Outstanding Loan Sum of approximately HK\$667.225 million.

The Shareholder's Facilities were provided by the Lender to the Group pursuant to the following Loan Agreements:

- (1) Loan Agreement A entered into between the Company and the Lender on 5 November 2024 pursuant to which the Lender agreed to provide loan facility in the amount of not exceeding HK\$500,000,000.00 to finance the Company's investments and general working capital. The maturity date of the facilities under Loan Agreement A is 4 November 2027, it is unsecured and each drawdown of the loan facility thereunder bears interest at the rate of HIBOR + 0.5% per annum, and such interest rate is adjustable every six (6) months; and
- (2) Loan Agreement B entered into between the Company and the Lender on 25 April 2025 pursuant to which the Lender agreed to provide loan facility in the amount of not exceeding HK\$300,000,000.00 to finance the Company's

investments and general working capital. The maturity date of the facilities under Loan Agreement B is 24 April 2028, it is unsecured and each drawdown of the loan facility thereunder bears interest at the rate of HIBOR + 0.5% per annum, and such interest rate is adjustable every six (6) months.

For the avoidance of doubt, an amount of HK\$80 million had been drawn down on 23 July 2025, and the remaining amount of HK\$132.775 million under the Loan Agreements have not been drawn down and is not outstanding as at the Latest Practicable Date. As a further elaboration on the utilisation of the Outstanding Loan Sum, during the period from 5 November 2024 (i.e. the date of Loan Agreement A) to 29 April 2025 (being the date of the first Announcement regarding Loan Capitalisation), in combination of the finance from the utilised Outstanding Loan Sum and the cash derived from the Group's operations, the Company has made (i) four equity investments in the aggregate amount of HK\$26.95 million, comprising investments made on private equities and securities listed in Hong Kong, with each investment ranging in the amount of HK\$3.95 million to HK\$10.00 million; (ii) one fund investments in the amount of HK\$24.75 million on a segregated portfolio in a segregated portfolio company incorporated in the Cayman Islands, with the investment focus being alternative investments including but not limited to cryptocurrencies and artwork; and (iii) investments on artwork in the aggregate amount of HK\$742.81 million, comprising jade artefacts, ceramic artefacts and other collectible artworks, with each investment ranging from HK\$5.00 million to HK\$63.47 million. On the art work investment business, as at 31 March 2025, the artwork investment in the amount of approximately HK\$443,000,000.00, accounted for approximately 9.61% of the total asset value of the Group; and as at 29 April 2025 (being the date of the first Announcement regarding Loan Capitalisation), artwork investment was recorded to be in the amount of HK\$742.81 million, being approximately 14.52% to the Group's total asset value as at 29 April 2025. Moreover, as detailed under the relevant section under Appendix I in the Circular, the investments on artwork has been intended to be held and realised in light of the potential and foreseeable asset appreciation, and thereby bringing value and benefits to the Company and its Shareholders as a whole, accordingly the Company is of the view that delegating a portion of assets into investments made for artwork is in the interests of the Company and its Shareholders as a whole.

In connection with the HK\$80 million drawn down on 23 July 2025, the amount had been utilised to invest into a fund primarily targeted at subscription to listed shares, shares under initial public offerings, bonds and derivatives, etc.

2.4 Our Assessments

In assessing the reasons for and benefits of the Loan Capitalisation, we have considered the financial position of the Group, the terms of the Shareholder's Facilities, the strategic objectives of the Company, the pricing of the Capitalisation Shares, and the alternatives available to address the Outstanding Loan Sum.

Supporting the Development Strategies of the Group

Based on our discussions with the Management, we understand that it has been an overriding target of the Group to enhance Shareholders' value via its operations; therefore, the Group has continuously sought for expansion in the scale and scope of its businesses through acquisitions and organic growth. Through its operations, the Group regularly observes for business segments and opportunities with highly prominent growth. For instance, we refer to the 2025 Annual Report, the 2024 Interim Report and the 2024 Annual Report, with reference to the booming growth in asset management businesses, the Group has established and commenced operation of its Qualified Domestic Limited Partnership, Qualified Foreign Institutional Investor and Qualified Domestic Limited Partnership asset management businesses in the PRC, and has also set up and participated by means of seed money injection in offshore and Hong Kong investment funds which invested in major secondary equity markets globally as well as private equity targets with innovative technologies and high growth potential.

The Management further stated that on top of expansion of the Group's multi-fold businesses by equity financing and acquisition of interests in investment platform, it is also considered that the key to scale-up the Group's businesses are to (a) enhance the Group's technological level of the business operations and service provision; as well as (b) make reasonable development and diversification of the Group's businesses for a diversification on income sources.

Thus, we understand that it is of the Company's opinion that by means of enhancement of the Group's technological edge, the Group will gradually evolve into a high value-added integrated investment platform, achieving strategic synergies and strengthening industry competitiveness, thereby striving a more advantageous market position for the Group's businesses. Moreover, by continuous diversification of the Group's businesses, it would be useful in hedging the risks present with the geopolitical tensions by reducing reliance on one form or segment of business.

We have also studied the review on the Group's businesses prepared by the Management which are detailed in section headed "11. REVIEW ON THE GROUP'S BUSINESSES" in Appendix I of the Circular. In light of the capital-intensive nature of the Group's existing businesses and their anticipated expansion and diversification as depicted above, it is important for the Group to promote its liquidity to a higher level to increase the Group's operational flexibility and to sustain its capability for financing any potential development opportunities of the Group's existing businesses, as and when suitable opportunity arises, especially for it is the Board's view that the market landscape is going to slowly improve in 2025. In view of the emerging of high potential investment targets over the six months prior to the Loan Capitalisation, and in order to cater these transient investment opportunities without posing any liquidity issue to the Group, it was considered that the Shareholder's Facilities under the Loan Agreements would be the quickest to assist the Company in the endeavour to participate in such opportunities as they were also lent by the Lender without security, guarantee and they were negotiated on an arm's length basis.

As such, we are of the view that the Loan Capitalisation is in line with the development strategies of the Group.

Addressing Significant Financial Liabilities

As at the Latest Practicable Date, the Group is indebted to the Lender for an Outstanding Loan Sum of approximately HK\$667.225 million under the Shareholder's Facilities, comprising loan facilities of up to HK\$500 million (Loan Agreement A, dated 5 November 2024) and HK\$300 million (Loan Agreement B, dated 25 April 2025). These facilities, bearing interest at HIBOR + 0.5% per annum, represent a substantial financial obligation, with accrued interest adding to the repayment burden.

The Group's financial position, as disclosed in the 2025 Annual Report, reflects a net asset position of approximately HK\$3,925.62 million but a loss-making status, with a loss for the year of approximately HK\$2.53 million. Cash and cash equivalents stood at approximately HK\$92.86 million as at 31 March 2025, significantly lower than the approximately HK\$289.26 million reported as of 31 March 2024, indicating liquidity constraints. Repaying the Outstanding Loan Sum in cash would severely deplete the Group's cash reserves, limiting its ability to fund ongoing operations, strategic investments in quantum technology and Web 3.0, and general working capital requirements.

With reference to the 2025 Annual Report, the 2024 Interim Report and the 2024 Annual Report, we further note that the Group records negative operating cash flow of approximately HK\$93.00 million, HK\$85.58 million and HK\$121.71 million for FY2025, Interim 2024 and FY2024 respectively.

Based on the terms of the Loan Agreement A and Loan Agreement B, we are aware that the annual interest expense on the Outstanding Loan Sum is approximately HK\$29.361 million ($\text{HK\$587.225 million} \times 5.0\%$). By the Loan Capitalisation, the Company eliminates this interest expense, resulting in savings of approximately HK\$29.361 million annually. These savings enhance the Group's cash flow, which is critical given the negative operating cash flow for FY2025, Interim 2024 and FY2024. We consider that the proactive settlement avoids potential increases in interest rates, as HIBOR is subject to market fluctuations, reducing financial risk in a rising rate environment.

In addition, we note that the Loan Capitalisation allows the Group to partially settle the HK\$667.225 million debt by issuing 458,769,789 Capitalisation Shares at HK\$1.28 per Share, without any cash outflow. This will reduce the Group's liabilities by HK\$587.225 million, strengthen its balance sheet by improving the net asset position and the operating cash flow of the Group, and eliminate the interest expense and the gearing ratio of the Group associated with the Shareholder's Facilities, thereby enhancing financial stability.

Based on the above, we are of the view that although there appears to be no imminent need to repay the Outstanding Loan Sum given the Loan Agreement A would mature on 4 November 2027, and Loan Agreement B would mature on 24 April 2028, by entering into the Loan Capitalisation Agreement at this juncture is considered fair and reasonable as the Group's interest expense could be reduced immediately and the financial position of the Group could be improved.

Preservation of Liquidity for Strategic Growth

Based on our review on the financial information of the Group, the Group operates as a cross-border, cross-industry investment platform with a strong presence in financial services, including securities brokerage, asset management, margin financing, money lending, and debt and equity investments, as well as an innovation-driven strategy focused on quantum technology. The 2025 Annual Report and 2024 Interim Report highlights significant investments in Web 3.0 technologies, including cryptocurrencies and virtual asset funds, which require substantial capital to sustain research and development and explore new business opportunities.

Pursuant to the financial information of the Group and based on our discussion with the Management, The Group's negative operating cash flow during FY2025, Interim 2024 and FY2024 and reduced cash reserves underscore the importance of preserving liquidity. By capitalising the Outstanding Loan Sum, the Group avoids diverting its limited cash resources to debt repayment, thereby retaining funds for critical initiatives such as quantum technology investment, web 3.0 development and operational needs. As such, this preservation of liquidity is particularly crucial given the Group's loss-making status and the competitive, capital-intensive nature of the fintech and quantum technology sectors.

Pricing of the Capitalisation Shares

We note that the Issue Price of HK\$1.28 per Capitalisation Share represents a premium of approximately 4.92% to the closing price per Share of HK\$1.22 as quoted on the Stock Exchange on 29 April 2025, the date of the Loan Capitalisation Agreement. Additionally, the Issue Price is at a premium of 2.56% to the average closing price of HK\$1.248 for the last five consecutive trading days immediately preceding the agreement date, a premium of 1.75% to the average closing price of HK\$1.258 for the last ten consecutive trading days, a substantial premium of 848.15% over the consolidated net asset value per Share of HK\$0.135, based on net assets of HK\$1,041.89 million and 7,689,974,999 Shares in issue as at 29 April 2025 (i.e. the date of Announcement when the Loan Capitalisation Agreement was executed) and a premium of approximately 196.98% over the consolidated net asset value per Share of approximately HK\$0.431 per Share, based on the consolidated net assets of approximately HK\$3,925.62 million as disclosed in the 2025 Annual Report and 9,099,914,291 Shares in issue as at the Latest Practicable Date.

We consider that by setting the Issue Price above the market price as of the agreement date, the Loan Capitalisation minimizes dilution to existing Shareholders compared to alternative equity fundraising methods, which typically require discounts to attract investors. The significant premium to NAV per Share further underscores the confidence in the Group's long-term growth prospects, aligning the interests of the Lender with those of the Independent Shareholders.

Alternatives Considered and Their Limitations

Based on our discussion with the Management, we are aware that in respect of equity financing, the Company has approached three corporations licensed to carry out type 1 (dealing in securities) regulated activity under the SFO (including FSL), regarding their interests to act as placing agent or underwriter for the Company's fundraising exercise by means of equity financing prior to the decision to undergo the Loan Capitalisation and execute of the Loan Capitalisation Agreement. The Management expresses that the two corporations other than FSL have not provided

any reply demonstrating their interests to participate as placing agent or underwriter for pre-emptive fundraising methods such as rights issue or open offer, and they have respectively replied positively regarding their interests with the Company's placing of Shares under general mandate with a proposed commission rate of 2.50%. The Company has then compared such rate to the prevailing market rates in terms of placing commission for placing conducted by companies on the main board of the Stock Exchange during March 2025 and April 2025. While it was concluded that such commission rate of 2.50% is consistent to the prevailing market rate for placing of shares in companies listed on the main board of the Stock Exchange (which has a higher trading volume in general), the Company has decided not to proceed placing with those two corporations owing to additional costs, including but not limited to placing commission and other professional fees to be incurred.

For details of the comparison conducted by the Company, please refer to the section headed "REASONS FOR AND BENEFITS OF THE LOAN CAPITALISATION" in the Board Letter.

The Company then consulted FSL regarding its interest to participate as placing agent or underwriter for the pre-emptive fundraising methods, which FSL advised the Company against the same, considering that (i) pre-emptive fundraising methods such as rights issue or open offer normally take at least two months, which can be prolonged owing to regulatory compliance process and the involvement of lengthy discussions with different professional parties; (ii) it would be difficult for the Company to proceed with rights issue or open offer without offering a substantial discount to attract subscription in light of the trading volume of the Shares alongside the weak market sentiment in view of the heightened geopolitical tensions and the trade conflicts; and (iii) both rights issue and open offer of new Shares may be subject to underwriting uncertainty and market risk. With reference to the Company's recent placing under general mandate in April 2025 (details of which can be referred to the Company's announcements dated 9 April 2025, 17 April 2025 and 25 April 2025), it had been the Company's original plan to place 372,923,749 new Shares but by completion of such fundraising exercised, only 231,500,000 new Shares has been placed (approximately 62.08% of the original proposed size of placing) owing to the (i) potential investor's wait-and-see approach adopted towards investments in light of the uncertainty posed by the aforesaid weak sentiment; and (ii) the comparatively small discount of placing price.

Based on our evaluation on the alternative methods to address the Outstanding Loan Sum, including bank borrowings, additional equity fundraising (e.g., rights issue, share placement), and debt restructuring. Based on our analysis, these alternatives are less viable. The Group's loss-making history and negative cash flow make it challenging to secure bank loans on favourable terms. New borrowings would increase interest expenses and financial risk, further straining the Group's liquidity. Recent fundraising activities indicate market appetite but also highlight the time-consuming and costly nature of such exercises. A rights issue or public offering would require significant discounts to attract investors, diluting existing Shareholders more substantially than the proposed Loan Capitalisation, and may not guarantee sufficient funds to cover the HK\$587.225 million debt. Extending the repayment terms or restructuring the Shareholder's Facilities would defer the liability but not eliminate it, continuing to accrue interest and burdening the Group's financial position.

In contrast, we consider that the Loan Capitalisation is a direct and efficient solution, immediately eliminating the debt, reducing interest costs, and aligning with the Group's long-term financial strategy without the uncertainties and costs associated with external fundraising.

Confidence of the Substantial Shareholder

Dr. Liu, holding approximately 17.49% of the Company's issued share capital as of the Latest Practicable Date, demonstrates strong confidence in the Group's future prospects by agreeing to capitalise the Outstanding Loan Sum into equity. His willingness to accept 458,769,789 Capitalisation Shares, increasing his stake to 21.46% post-Completion, signals a positive outlook on the Group's strategic initiatives, particularly in quantum technology and Web 3.0.

This alignment of interests between the Lender and the Company enhances the credibility of the Loan Capitalisation as a strategic move, benefiting all Shareholders by strengthening the Group's financial position and supporting its long-term objectives.

Our Conclusion

Having considered the above factors, we are of the view that the Loan Capitalisation is a prudent and necessary measure to address the Group's significant debt obligations while preserving liquidity for strategic growth. The transaction aligns with the Group's financial and operational objectives, avoids the drawbacks of alternative financing methods, and benefits from the substantial shareholder's confidence in the Company's future. The Issue Price, set at a premium to the Share price as of the date of the Loan Capitalisation Agreement, reflects a fair valuation that minimizes dilution and enhances the attractiveness of the transaction. While the Loan

Capitalisation results in a modest dilution to Independent Shareholders, the financial benefits – namely, debt elimination, interest savings, enhanced balance sheet strength, and favourable pricing – outweigh the dilution impact.

As such, we concur with the view of the Board (excluding members of the Independent Board Committee) that the terms of the Loan Capitalisation Agreement and the transactions contemplated thereunder, together with the allotment and issue of the Capitalisation Shares under the Specific Mandate are fair and reasonable, on normal commercial terms, and although not in the ordinary and usual course of business of the Group, are in the interests of the Company and the Shareholders as a whole.

3 PRINCIPAL TERMS OF THE LOAN CAPITALISATION AGREEMENT AND OUR ASSESSMENTS

3.1 Principal Terms of the Loan Capitalisation Agreement

On 29 April 2025 (after trading hours of the Stock Exchange), the Company and the Lender entered into the Loan Capitalisation Agreement, pursuant to which the Lender (as the subscriber) has conditionally agreed to subscribe (for himself or his nominee) for, and the Company has conditionally agreed to allot and issue, 458,769,789 Capitalisation Shares, at the Issue Price of HK\$1.28 per Capitalisation Share. The consideration of the allotment and issue of the Capitalisation Shares in the amount of approximately HK\$587.225 million shall be settled by means of offsetting against the Repayment Amount of approximately HK\$587.225 million.

As at the Latest Practicable Date, the Outstanding Loan Sum amounted to approximately HK\$667.225 million. Upon Completion, the Repayment Amount shall be deemed to have been repaid and the Group will be indebted to the Lender pursuant to the Shareholder's Facilities under the Loan Agreements in the amount of HK\$80 million upon Completion.

The principal terms of the Loan Capitalisation Agreement are set out below:

Date

29 April 2025 (after trading hours of the Stock Exchange)

Parties to the Loan Capitalisation Agreement

- (a) The Company, as the issuer of the Capitalisation Shares; and
- (b) The Lender (for himself or his nominee), as the subscriber

Number of Capitalisation Shares

Assuming there will be no change in the total issued share capital of the Company between the Latest Practicable Date and the Completion (other than the allotment and issue of the Capitalisation Shares), the Capitalisation Shares represent (i) approximately 5.04% of the entire issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 4.80% of the entire issued share capital of the Company as enlarged by the allotment and issue of the Capitalisation Shares.

The nominal value of the Capitalisation Shares (with a par value of HK\$0.10 each) is HK\$45,876,978.90.

As undertaken by the Lender, unless with the written consent of the Company, the Lender will not dispose of any of the Capitalisation Shares within six (6) months subsequent to the Completion.

The Issue Price

The Issue Price of HK\$1.28 per Capitalisation Share represents:

- (a) a discount of approximately 67.97% to the closing price per Share of HK\$2.15 as quoted on the Stock Exchange on 21 November 2025, being the Latest Practicable Date;
- (b) a premium of approximately 4.92% to the closing price per Share of HK\$1.22 as quoted on the Stock Exchange on 29 April 2025, being the date of the Loan Capitalisation Agreement;
- (c) a premium of approximately 2.56% to the average closing price per Share of HK\$1.248 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Loan Capitalisation Agreement;
- (d) a premium of approximately 1.75% to the average closing price per Share of HK\$1.258 as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the date of the Loan Capitalisation Agreement;
- (e) a premium of approximately 848.15% over the consolidated net asset value per Share of approximately HK\$0.135 per Share, based on the consolidated net assets of approximately HK\$1,041.89 million as disclosed in the interim report of the 2024 Interim Report and 7,689,974,999 Shares in issue as at the Latest Practicable Date; and

- (f) a premium of approximately 196.98% over the consolidated net asset value per Share of approximately HK\$0.431 per Share, based on the consolidated net assets of approximately HK\$3,925.62 million as disclosed in the 2025 Annual Report and 9,099,914,291 Shares in issue as at the Latest Practicable Date.

The net Issue Price, after deduction of all relevant fees and expenses, is estimated to be approximately HK\$1.28 per Capitalisation Share. The professional fees and related expenses for the Loan Capitalisation, which amount to approximately HK\$0.2 million, will be settled by the Group's internal financial resources.

Specific Mandate

The Capitalisation Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought from the Independent Shareholders at the EGM.

For further information on the Loan Capitalisation Agreement, such as the conditions precedent, completion, ranking of the Capitalisation Shares, please refer to the section headed "THE LOAN CAPITALISATION AGREEMENT" in the Board Letter.

3.2 Our Assessments

Based on our discussion with the Management, the Issue Price was determined after arm's length negotiations between the Company and the Lender with reference to:

- (i) the trading performance of the Shares;
- (ii) the Outstanding Loan Sum under the Shareholder's Facilities;
- (iii) the Group's financial position and its business prospects; and
- (iv) the reasons as discussed in the paragraph headed "Reasons for and Benefits of the Loan Capitalisation" in the Circular.

In order to assess the fairness and reasonableness of the Issue Price, we have reviewed the liquidity and daily closing prices of the Shares for the period from 1 January 2024 to 29 April 2025 and up to the Latest Practicable Date (the "**Review Period**"). We consider that the Review Period is adequate to illustrate the recent liquidity and price movement of the Shares for conducting a reasonable analysis or comparison among the historical Share performance prior to the Latest Practicable Date and such analysis or comparison is relevant for the assessment of the fairness and reasonableness of the Issue Price.

(a) Liquidity of the Shares

The following table sets out the total trading volume per month and the average daily trading volume per month of the Share during the Review Period:

Historical monthly trading volume of the Share

Months	Total number of issued Shares as at the end of the month/period	Total trading volume of Shares for the months/period	Number of trading days	Average daily trading volume (Note 1)	Percentage of average daily trading volume to total number of issued Shares (Note 2)	Percentage of average daily trading volume to total number of Shares held by public Shareholders (Note 3)
2024						
January	1,581,561,462	111,163,600	22	5,052,891	0.3195%	0.0975%
February	6,326,245,848	106,585,706	19	5,609,774	0.0887%	0.1083%
March	6,326,245,848	98,918,840	20	4,945,942	0.0782%	0.0955%
April	6,326,245,848	77,243,800	20	3,862,190	0.0611%	0.0745%
May	6,326,245,848	171,245,800	21	8,154,562	0.1289%	0.1574%
June	6,326,245,848	115,802,000	19	6,094,842	0.0963%	0.1176%
July	7,118,421,848	101,806,600	22	4,627,573	0.0650%	0.0893%
August	7,118,421,848	80,471,400	22	3,657,791	0.0514%	0.0706%
September	7,118,421,848	32,411,600	19	1,705,874	0.0240%	0.0329%
October	7,458,474,999	24,752,800	21	1,178,705	0.0158%	0.0227%
November	7,458,474,999	26,228,400	21	1,248,971	0.0167%	0.0241%
December	7,458,474,999	21,698,200	20	1,084,910	0.0145%	0.0209%
2025						
January	7,458,474,999	87,385,000	19	4,599,211	0.0617%	0.0888%
February	7,458,474,999	89,620,695	20	4,481,035	0.0601%	0.0865%
March	7,458,474,999	98,121,900	21	4,672,471	0.0626%	0.0902%
April	7,689,974,999	99,592,400	19	5,241,705	0.0682%	0.1012%
May	7,689,974,999	84,582,729	21	4,027,749	0.0524%	0.0777%
June	7,689,974,999	118,793,500	21	5,656,833	0.0736%	0.1092%
July	7,689,974,999	139,994,600	22	6,363,391	0.0827%	0.1228%
August	9,099,914,291	135,373,813	21	6,446,372	0.0708%	0.1244%
September	9,099,914,291	256,154,400	22	11,643,382	0.1280%	0.2247%
October	9,099,914,291	171,634,794	20	8,581,740	0.0943%	0.1656%
November (up to Latest Practicable Date)	9,099,914,291	140,761,400	15	9,384,093	0.1031%	0.1811%
				Minimum	0.0145%	0.0209%
				Maximum	0.3195%	0.2247%
				Average	0.0790%	0.0993%

Source: The Stock Exchange

Notes:

1. Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days in the respective month/period.

2. It is calculated by dividing the average daily trading volume for the month/period by the total number of issued Shares at the end of each month/period.
3. It is calculated by dividing the average daily trading volume for the month/period by the total number of Shares held by the public Shareholders as at the Latest Practicable Date, i.e. 5,181,161,540.

We note from the above table that the trading volume of the Share is generally thin during the Review Period, where the percentages of average daily trading volume of the Share to the total number of issued Shares and the total number of issued Shares held by the public Shareholders as at the Latest Practicable Date during the Review Period are approximately 0.0790% and 0.0993%, respectively. Given the limited trading activity of the Share, we consider that it may hinder independent placing agent(s) or underwriter(s) to participate when the Company attempt to conduct an equity fund raising exercise and even if there is such equity fund raising exercise, it is inevitable that significant discount to the current market price of Shares will be required to encourage participation of potential investors.

(b) Review of the historical share price performance

The following chart sets out the daily closing prices of the Shares on the Stock Exchange during the Review Period:



Source: The Stock Exchange

As shown in the chart above, during the Review Period, the daily closing prices of the Shares ranged from HK\$0.121 per Share (the “**Lowest Closing Price**”) recorded on 17 January 2024 to HK\$2.380 per Share (the “**Highest Closing Price**”) recorded on 8 October 2025, with the average closing price of the Shares amounted to approximately HK\$1.062 per Share (the “**Average Closing Price**”).

As shown in the chart above, we note that the closing prices of the Shares show a relatively upward trend with fluctuation during the Review Period. We have further reviewed the publication of the Company during the Review Period and noted that:

- (i) As announced on 27 March 2024, among others, the Company granted share options for the subscription of Share(s) pursuant to the share option scheme adopted by the Company on 7 September 2021 to Ms. SUN Qing, Mr. ZHANG Huachen, Mr. YUAN Tianfu and 14 other full-time employees of the Group to subscribe, in aggregate, for up to 91,500,000 Shares in accordance with the terms of share option scheme adopted by the Company on 7 September 2021;
- (ii) As announced on 12 June 2024, among others, the Company has conditionally agreed to acquire 4.2726% of the then entire equity interest of a private limited company incorporated in the PRC which mainly engaged in the R&D, production and sales of quantum computers from a substantial shareholder of the Company;
- (iii) As announced on 28 June 2024, among others, the Company has entered into a placing agreement, pursuant to which the Company has conditionally agreed to issue, and the respective placing agent has conditionally agreed, as agent of the Company, to procure on a best effort basis, not fewer than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for a maximum of 316,312,292 Placing Shares at the Placing Price of HK\$0.90 per Placing Share;
- (iv) As announced on 23 August 2024, among others, the Company entered into a sale and purchase agreement with the respective vendors, pursuant to which, the Company has conditionally agreed to acquire 2,751,339,130 shares of Wealthink AI-Innovation Capital Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 1140) (representing approximately 26.15% of its the then entire issued share capital), at the consideration in the amount of HK\$302,647,304.00;
- (v) As announced on 31 December 2024, among others, the Company entered into a sale and purchase agreement with Wealthink AI-Innovation Capital Limited, pursuant to which the Company has conditionally agreed to purchase and Wealthink AI-Innovation Capital Limited has conditionally agreed to sell 22.50% of the entire issued share capital of CSOP Asset Management Limited, a asset management company incorporated and based in Hong Kong, which manages private and public funds, and provides investment advisory services to Asian and global investors with a dedicated focus on investment in the PRC, at a consideration in the amount of HK\$1,110,000,000, which shall be settled by the allotment and issuance of 1,405,063,292 shares of the Company under a specific mandate;

- (vi) As announced on 9 April 2025, among others, the Company and the respective placing agent entered into a placing agreement, pursuant to which the Company has conditionally agreed to issue, and the placing agent has conditionally agreed, as agent of the Company, to procure on a best effort basis, not fewer than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for a maximum of 372,923,749 Shares at a price of HK\$1.12 per Share;
- (vii) The Company published the Announcement in relation to the Loan Capitalisation on 29 April 2025;
- (viii) As announced on 21 May 2025, among others, the Company conducted a series of transactions in the open market for the disposals of approximately 20 units of Bitcoin during the period from 9 May 2025 to 19 May 2025 (both dates inclusive), with total consideration amounting to approximately US\$2.07 million (equivalent to approximately HK\$16.10 million), exclusive of transaction costs;
- (ix) The Company published the 2025 Annual Report on 28 July 2025;
- (x) As announced on 14 August and 4 September 2025, among others, the Company entered into eleven (11) separate subscription agreements with eleven (11) subscribers on 14 August 2025, pursuant to which the Company has conditionally agreed to allot and issue to the respective subscribers, and the respective subscribers have conditionally agreed to subscribe for a total number of 914,758,614 subscription shares at a subscription price of HK\$1.45 per subscription share under general mandate of the Company, and such subscription agreements have been lapsed on 4 September 2025 due to the respective conditions precedent under such subscription agreements have not been fulfilled on or before its long stop date;
- (xi) As announced on 4 September, 25 September, 16 October and 6 November 2025, among others, the Company entered into eleven (11) separate subscription agreements with eleven (11) subscribers on 4 September 2024, pursuant to which the Company has conditionally agreed to allot and issue to the respective subscribers, and the respective subscribers have conditionally agreed to subscribe for a total number of 745,168,534 subscription shares at a subscription price of HK\$1.78 per subscription share under general mandate of the Company. Afterward, the Company and each of such subscribers, after arm's length negotiation, have further entered into several supplemental agreements to the respective subscription agreements, pursuant to which the relevant parties thereto mutually agreed to extend the long stop date of such subscription agreements to 27 November 2025; and

(xii) As announced on 1 September and 31 October 2025, the Company was informed separately by Dr. Liu, the single largest shareholder of the Company and Mr. Wang Tao, the shareholder of the Company that on 1 September 2025, Dr. Liu, together with AI International Capital Management Ltd. (wholly-owned by Dr. Liu), Caitex Technology Holdings Limited (wholly-owned by Chunda International Capital Management Co., Ltd., which is wholly-owned by Dr. Liu) and Mr. Wang Tao, have entered into a sale and purchase agreement with FINAL TOUCH LTD., a wholly-owned subsidiary of IVD Medical Holding Limited (Stock Code: 1931), a company listed on HKEX, to conditionally dispose of a total of 1,848,496,429 shares in the Company, representing approximately 20.31% of the then total issued share capital of the Company as at 1 September 2025, at the consideration in the amount of HK\$3,142,443,930. Such sale and purchase agreement is terminated on 31 October 2025 as the conditions precedent thereunder are not fulfilled (or waived, as the case may be) on 31 October 2025, being the long stop date of the respective sale and purchase agreement.

We have further discussed with the Company on the increasing and decreasing trends of the Share price and were advised that the management did not identify any specific reasons for the fluctuation of the closing prices of the Shares.

We note that the Issue Price of HK\$1.28 per Capitalisation Share represents (i) a premium of approximately 957.9% over the Lowest Closing Price of HK\$0.121 per Share; (ii) a discount of approximately 46.2% over the Highest Closing Price of HK\$2.380 per Share; and (iii) a premium of approximately 20.5% to the Average Closing Price of approximately HK\$1.062 per Share. Taking into consideration that the Issue Price reflects a significant premium over the Lowest and Average Closing Prices, we are of the view that the Issue Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(c) Comparable transaction analysis

In assessing the fairness and reasonableness of the Issue Price, we have also conducted research through website of the Stock Exchange and have identified a list of transactions based on the following selection criteria: (i) loan capitalisation and issue of new shares (excluding issue of preference shares) to connected person(s) under specific mandate carried out by the companies listed on the Main Board of the Stock Exchange; and (ii) announced since 1 January 2024 and up to the date of the Loan Capitalisation Agreement (the “**Comparable Review Period**”), which reflects the latest market conditions in the context of rapidly changing capital markets. Based on our research, we have identified an exhaustive list of nine comparable share subscription transactions (the “**Comparable Transactions**”) that meet the aforesaid criteria.

We consider the Comparable Review Period is adequate and appropriate given that (i) such period would provide us with the recent and relevant information to demonstrate the prevailing market practice prior to the date of the Loan Capitalisation Agreement under the prevailing market conditions and capital market sentiment; and

(ii) we are able to identify sufficient and reasonable sample size for selection of Comparable Transactions within the Comparable Review Period. Though the business nature and industrial sectors of the Comparable Transaction are not the same as that of the Company, we consider that the Comparable Transactions are fair and representative samples for our assessment of the Loan Capitalisation given that (i) the subscription prices of the Comparable Transactions are mainly determined with reference to the prevailing market prices of the relevant shares prior to the announcements of Comparable Transactions; and (ii) our analysis on the Issue Price is mainly aiming at taking a general reference to the market practice for similar type of transactions, and without limiting to companies with similar business nature and industrial sectors to the Group, we are able to identify sufficient sample size that is useful for Independent Shareholders' reference.

The following table sets out the respective premium/(discount) of the subscription price over/to closing price prior to/up to and including the relevant agreement date or the last trading day (the “**LTD Premium/(Discount)**”) and the premium/(discount) of the subscription price over/to the average closing price of last five consecutive trading days prior to/up to and including the relevant agreement date or the last trading day (the “**Five Days Premium/(Discount)**”).

Date of announcement	Stock Code	Company Name	Principal Activities	LTD Premium/(Discount) %	Five Days Premium/(Discount) %
2024-03-07	1102.HK	Enviro Energy International Holdings Limited	Trading of building materials and investment and leasing of properties	(10.70)	(5.70)
2024-03-07	931.HK	China HK Power Smart Energy Group Limited	Liquefied natural gas business	0.00	1.42
2024-03-10	1280.HK	China Qidian Guofeng Holdings Limited	Retail of household appliance and consumer electronics, and trading of liquor	(31.37)	(31.64)
2024-05-14	989.HK	Hua Yin International Holdings Limited	Development of properties and provision of management service to property project	19.05	6.38
2024-06-17	1176.HK	Zhuguang Holdings Group Company Limited	Property development, investment and rental of properties, and project management	21.21	18.34
2024-11-12	653.HK	Bonjour Holdings Limited	Retail of beauty and health care products	0.00	(1.00)
2025-01-17	632.HK	CHK Oil Limited	Exploration, exploitation and trading of petroleum and natural gas	5.06	(5.03)
2025-04-17	931.HK	China HK Power Smart Energy Group Limited	Liquefied natural gas business	0.00	(0.51)
2025-04-07	575.HK	Regent Pacific Group Limited	Holding various corporate and strategic investments focusing on the healthcare, wellness and life sciences sectors	0.00	15.75
			Maximum	21.21	18.34
			Minimum	(31.37)	(31.64)
			Average	0.36	(0.22)
			Median	0.00	(0.51)
2025-04-29	290.HK	The Company		4.92	2.56

As set out in the table above, we note that:

- (i) the Issue Price represents a premium of approximately 4.92% over the closing price of HK\$1.220 per Share as quoted on the Stock Exchange on the date of the Loan Capitalisation Agreement, which is slightly higher than the average LTD Premium of the Comparable Transactions of approximately 0.36% and the median LTD Premium of the Comparable Transactions of approximately 0.00%; and
- (ii) the Issue Price represents a premium of approximately 2.56% over the average closing price per Share of HK\$1.248 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Loan Capitalisation Agreement, which is higher than the average and median Five Days Discount of the Comparable Transactions of approximately 0.22% and 0.51%, respectively.

In view of the above and given that (i) the Issue Price represents a premium over the average closing price per Share during the Review Period; (ii) the Issue Price represents a premium over the closing price of HK\$1.220 per Share as quoted on the Stock Exchange on the date of the Loan Capitalisation Agreement; (iii) the Issue Price represents a premium over the average closing price per Share of HK\$1.248 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Loan Capitalisation Agreement; and (iv) the premium of the Issue Price over the average closing price for the last five consecutive trading days immediately preceding the date of the Loan Capitalisation Agreement is significantly higher than the average and median Five Days Discount of the Comparable Transactions, we consider that the Issue Price is on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned.

(d) Utilisation of the Outstanding Loan Sum

Based on our discussion with the Management, we note that during the period from 5 November 2024 (i.e. the date of Loan Agreement A) to 29 April 2025 (being the date of the first Announcement regarding Loan Capitalisation), in combination of the finance from the utilised Outstanding Loan Sum and the cash derived from the Group's operations, the Company has made (i) four equity investments in the aggregate amount of HK\$26.95 million, comprising investments made on private equities and securities listed in Hong Kong, with each investment ranging in the amount of HK\$3.95 million to HK\$10.00 million; (ii) one fund investments in the amount of HK\$24.75 million on a segregated portfolio in a segregated portfolio company incorporated in the Cayman Islands, with the investment focus being alternative investments including but not limited to cryptocurrencies and artwork; and (iii) investments on artwork in the aggregate amount of HK\$742.81 million,

comprising jade artefacts, ceramic artefacts and other collectible artworks, with each investment ranging from HK\$5.00 million to HK\$63.47 million. On the artwork investment business, as at 31 March 2025, the artwork investment in the amount of approximately HK\$443,000,000.00, accounted for approximately 9.61% of the total asset value of the Group; and as at 29 April 2025 (being the date of the first Announcement regarding Loan Capitalisation), artwork investment was recorded to be in the amount of HK\$742.81 million, being approximately 14.52% to the Group's total asset value as at 29 April 2025.

We have further discussed with the Company on the rationale for artwork investment strategy. The Management expresses that it is the Company's development strategy into the cultural and creative industries by leveraging the Group's professional teams to establish service systems for art auctions, financing, and real-world asset tokenization to expand high value-added cultural finance markets. Such strategic direction transforms artworks, artefacts and antiques into financial instruments, enhancing liquidity and creating multiple revenue streams to diversify the Group's income sources and hedging risks from fluctuation arisen from economic cycle.

As expressed by the Management, with respect to the artwork investment business of the Company initiated last financial year, the Company will utilise its long-term collaborating appraisal and valuation team to check on the authenticity of the artworks to be acquired, in ascertaining the authenticity of an artwork. The Company also has its internal art investment team who are experts to antiques and artefacts specialising on jade and ceramic who had taken training courses in authentication and valuation of such artwork, with years of experience in assisting organising exhibitions in conducting research, authenticating and appraising artworks of jade and ceramic artefacts.

The Management considers that artworks, artefacts and antiques are scarce assets which carry their own unique culture value and long-term appreciation potential. The Company's strategy to source and acquire artworks, artefacts and antiques (such as jade, ceramics and collectibles) has a long-term aim to benefit the Group from the acquired assets' value appreciation. Moreover, the integration of artwork investments into the Group's diversified portfolio alongside high-growth sectors like quantum technology strengthens its market position and competitiveness. Such diversification reduces reliance on single business segments and/or investment assets, aligning with the goal of sustainable long-term value creation for shareholders. As such, the Company is of the view that the artwork investments support the Company's strategic pivot toward art financialization, leveraging real-world asset and related mechanisms to unlock value, enhance liquidity and diversify earnings, and ultimately serving the best interests of the Company and its shareholders as a whole.

Furthermore, since the investments in artwork has been intended to be held and realised in light of the potential and foreseeable asset appreciation, and thereby bringing value and benefits to the Company and its Shareholders as a whole, we concur with the view of the Company that the investments made in artwork is in the interests of the Company and its Shareholders as a whole.

Please refer to the section headed “11. REVIEW ON THE GROUP’S BUSINESSES” of the Appendix I of this circular for further information regarding the investments made with respect to artwork, artefacts and antique of the Company as at the date of the Announcement.

(e) *Our Conclusion*

Having considered that:

- (i) the Issue Price was higher than the closing prices of the Shares on the date of the Loan Capitalisation Agreement and on a significant number of trading days throughout the Review Period;
- (ii) the relatively low liquidity of Shares as discussed above; and
- (iii) the Issue Price is on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned as compared to the Comparable Transactions during the Comparable Review Period,

we are of the view that the terms of the Loan Capitalisation Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and in the interest of the Group and the Shareholders as a whole.

4 POSSIBLE DILUTION EFFECT OF THE LOAN CAPITALISATION ON THE SHAREHOLDING STRUCTURE

According to the table set out under the section headed “EFFECTS ON SHAREHOLDINGS STRUCTURE OF THE COMPANY” of the Board Letter, the shareholding interests held by the other public Shareholders would be diluted by approximately 3.07 percentage points as a result of the Loan Capitalisation by the allotment and issuance of the Capitalisation Shares under the Specific Mandate on the assumption that no other change in the share capital of the Company since the Latest Practicable Date.

Meanwhile, we are aware, upon the completion of the Loan Capitalisation, (i) the Group's total liabilities could be reduced by approximately HK\$587.225 million; (ii) the Group's net asset could be increased by HK\$587.225 million; and (iii) the interest expense of the Outstanding Loan Sum would be eliminated, resulting in savings of approximately HK\$29.361 million annually. As such, the current ratio of the Group could be improved and the gearing ratio of the Group could be reduced. Thus, the financial position could be improved by the Loan Capitalisation.

Despite the potential dilution impact to the shareholding interests of the existing public Shareholders, taking into account the Loan Capitalisation would (i) enable the Group to improve its financial position; (ii) ease the interest burden of the Group and thus improves its liquidity and financial performance; and (iii) allow the Group to focus its internal resources on its business development and operation, we are of the view that the Loan Capitalisation is beneficial to the Company and the Shareholders as a whole and is therefore fair and reasonable so far as the Independent Shareholders are concerned.

RECOMMENDATION

Having taken into account that above factors and reasons, we are of the opinion that although the transactions contemplated under the Loan Capitalisation Agreement, including the allotment and issuance of the Capitalisation Shares under the Specific Mandate, are not in the ordinary and usual course of business of the Group, the Loan Capitalisation, the Loan Capitalisation Agreement and the transactions contemplated thereunder (including the allotment and issuance of the Capitalisation Shares under the Specific Mandate at the Issue Price) are on normal commercial terms agreed upon after arm's length negotiations between the parties with reference to the prevailing market conditions and are fair and reasonable, and are in the interests of the Group and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favor of the relevant ordinary resolutions to be proposed at the EGM to approve the Loan Capitalisation, the Loan Capitalisation Agreement and the transactions contemplated thereunder, including allotment and issuance of the Capitalisation Shares at the Issue Price under the Specific Mandate and we recommend the Independent Shareholders to vote in favor of the resolution in this regard.

Yours faithfully,
For and on behalf of
Draco Capital Limited



Ken Zhao
Director



Leon Au Yeung
Director

Mr. Ken Zhao and Mr. Leon Au Yeung are licensed persons under the SFO to carry out type 6 (advising on corporate finance) regulated activity under the SFO and regarded as responsible officers of Draco Capital Limited. Mr. Ken Zhao and Mr. Leon Au Yeung have over 11 and 11 years of experience in the corporate finance industry, respectively.