
THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of the Offers, this Composite Document and/or the accompanying Forms of Acceptance or the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Tokyo Chuo Auction Holdings Limited, you should at once hand this Composite Document and the accompanying Forms of Acceptance to the purchaser(s) or the transferee(s) or to the bank or licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). This Composite Document should be read in conjunction with the accompanying Forms of Acceptance, the contents of which form part of the terms and conditions of the Offers contained in this Composite Document.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Forms of Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Forms of Acceptance.



ESSA FINANCIAL GROUP LTD

(Incorporated in the British Virgin Islands with limited liability)

Tokyo Chuo Auction Holdings Limited

東京中央拍賣控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1939)

**COMPOSITE DOCUMENT RELATING TO
MANDATORY UNCONDITIONAL CASH OFFERS BY
LEGO SECURITIES LIMITED AND
FORTUNE ORIGIN SECURITIES LIMITED
FOR AND ON BEHALF OF
ESSA FINANCIAL GROUP LTD
TO ACQUIRE ALL THE ISSUED SHARES IN
TOKYO CHUO AUCTION HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED
OR TO BE ACQUIRED BY
ESSA FINANCIAL GROUP LTD, THE OTHER PURCHASERS
AND PARTIES ACTING IN CONCERT WITH ANY OF THEM) AND
TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF
TOKYO CHUO AUCTION HOLDINGS LIMITED**

Financial adviser to the Offeror



**Lego Corporate
Finance Limited**

力高企業融資有限公司

Joint Independent Financial Advisers to the Independent Board Committee



英皇企業融資有限公司
Emperor Corporate Finance Limited



**DILIGENT
CAPITAL**

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "DEFINITIONS" in this Composite Document.

A letter from Lego Securities and Fortune Origin Securities containing, amongst other things, details of the terms and conditions of the Offers is set out on pages 7 to 19 of this Composite Document. A letter from the Board is set out on pages 20 to 27 of this Composite Document. A letter from the Independent Board Committee containing its recommendation and advice to the Independent Shareholders and Optionholders in respect of the Offers is set out on pages 28 to 29 of this Composite Document. A letter from the Joint Independent Financial Advisers containing their recommendation and advice to the Independent Board Committee in respect of the Offers is set out on pages 30 to 59 of this Composite Document.

The procedures for acceptance and settlement of the Offers are set out in Appendix I to this Composite Document and in the accompanying Forms of Acceptance. The relevant Forms of Acceptance should be received by the Registrar (in respect of the Share Offer) or the Company (in respect of the Option Offer) by no later than 4:00 p.m. on Friday, 20 June 2025 or such later time(s) and/or date(s) as the Offeror may determine and announce, with the consent of the Executive, in accordance with the Takeovers Code.

Any person including, without limitation, custodians, nominees and trustees who would, or otherwise intend to, forward this Composite Document and/or the accompanying Forms of Acceptance to any jurisdiction outside Hong Kong should read the details in this regard which are contained in the section headed "IMPORTANT NOTICES" contained in this Composite Document before taking any action. It is the responsibility of each Overseas Shareholder and Overseas Optionholder wishing to accept the Offers to satisfy himself, herself or itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities or legal requirements and the payment of any transfer or other taxes or other required payments due in respect of such jurisdiction. Overseas Shareholders and Overseas Optionholders are advised to seek professional advice on deciding whether to accept the Offers. This Composite Document will remain on the websites of the Stock Exchange at (<https://www.hkexnews.hk>) and the Company at (<https://www.chuo-auction.com>) as long as the Offers remain open.

Hong Kong, 30 May 2025

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EXPECTED TIMETABLE

The expected timetable set out below is indicative only and may be subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company as and when appropriate. Unless otherwise specified, all time and date references contained in this Composite Document refer to Hong Kong times and dates.

Event	Hong Kong Time and Date 2025
Despatch date of this Composite Document and the accompanying Forms of Acceptance (<i>Note 1</i>)	Friday, 30 May
Offers open for acceptance (<i>Note 1</i>)	Friday, 30 May
Latest time and date for acceptance of the Offers (<i>Notes 2, 3 and 5</i>)	by 4:00 p.m. on Friday, 20 June
Closing Date (<i>Notes 2 and 3</i>)	Friday, 20 June
Announcement of the results of the Offers on the website of the Stock Exchange and the Company (<i>Note 2</i>)	by 7:00 p.m. on Friday, 20 June
Latest date for posting of remittances for the amounts due in respect of valid acceptances received under the Offers (<i>Notes 4 and 5</i>)	Wednesday, 2 July

Notes:

- (1) The Offers, which are unconditional in all respects, are made on the date of despatch of this Composite Document, and are capable of acceptance on and from that date until 4:00 p.m. on the Closing Date. Acceptances of the Offers shall be irrevocable and not capable of being withdrawn, except in the circumstances as set out in the section headed “6. Right of withdrawal” in Appendix I to this Composite Document.
- (2) In accordance with the Takeovers Code, the Offers must initially be open for acceptance for at least 21 days following the date on which this Composite Document is posted. The Offers will be closed for acceptances on the Closing Date. The latest time and date for acceptance of the Offers will be at 4:00 p.m. on Friday, 20 June 2025 unless the Offeror revises or extends the Offers in accordance with the Takeovers Code. The Offeror and the Company will jointly issue an announcement through the website of the Stock Exchange by no later than 7:00 p.m. on Friday, 20 June 2025, stating the results of the Offers and whether the Offers have been extended, revised or have closed for acceptance. In the event that the Offeror decides to extend or revise the Offers and the announcement does not specify the next closing date, at least 14 days’ notice by way of an announcement will be given before the Offers are closed to those Independent Shareholders and Optionholders who have not accepted the Offers.
- (3) Beneficial owners of the Offer Shares who hold their Offer Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements, details of which are set out in Appendix I to this Composite Document, for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.

EXPECTED TIMETABLE

- (4) Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable in respect of the Offer Shares tendered under the Share Offer will be despatched to the accepting Independent Shareholders by ordinary post at their own risk as soon as possible, and remittances in respect of the cash consideration payable for the Share Options tendered under the Option Offer will be despatched to the Optionholders by ordinary post at their own risk as soon as possible, but in any event no later than seven (7) Business Days following the date of receipt by the Registrar (in respect of the Share Offer) or the Company (in respect of the Option Offer) of the duly completed Forms of Acceptance and all requisite documents to render the acceptance under the Offers complete and valid in accordance with the Takeovers Code.
- (5) If any severe weather condition is:
- (i) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Offers and the latest date for posting of remittances for the amounts due under the Offers in respect of valid acceptances, the latest time for acceptance of the Offers will remain at 4:00 p.m. on the same Business Day and the posting of remittances will remain on the same Business Day; or
 - (ii) in force in Hong Kong at any local time at or after 12:00 noon on the latest date for acceptance of the Offers or the latest date for posting of remittances for the amounts due under the Offers in respect of valid acceptances, as the case may be, the latest time for acceptance of the Offers will be rescheduled to 4:00 p.m. on the following Business Day and the latest date for posting of remittances will be rescheduled to the following Business Day which does not have any of those warnings in force at 12:00 noon and/or thereafter (or another Business Day thereafter that does not have any severe weather condition at 12:00 noon or thereafter).

For the purpose of this document, "severe weather" refers to the scenario where a tropical cyclone warning signal number 8 or above is hoisted, or "extreme conditions" as announced by the Hong Kong government and/or a black rainstorm warning is/are in force in Hong Kong. Further announcement(s) will be made if there is any change to the expected timetable as a result of any severe weather.

Save as mentioned above, if the latest time for acceptance of the Offers does not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror and the Company will jointly notify the Independent Shareholders and Optionholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

IMPORTANT NOTICES

NOTICE TO OVERSEAS SHAREHOLDERS AND OVERSEAS OPTIONHOLDERS

The Offeror is making the Offers available to all Independent Shareholders and Optionholders, including the Overseas Shareholders and Overseas Optionholders. However, the availability of the Offers to any Overseas Shareholders and Overseas Optionholders may be affected by the laws and regulations of the relevant jurisdiction in which they are resident. Overseas Shareholders and/or Overseas Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should fully observe any applicable legal or regulatory requirements and, where necessary, seek independent legal advice. It is the responsibilities of Overseas Shareholders and the Overseas Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from such Overseas Shareholders and/or Overseas Optionholders in respect of such jurisdictions).

Please refer to the section headed “Availability of the Offers” of the “Letter from Lego Securities and Fortune Origin Securities” contained in this Composite Document for further information.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document contains forward-looking statements which may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “will”, “would” or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The Offeror and the Company assume no obligation and do not intend to update these forward-looking statements or opinions contained in this Composite Document, except as required pursuant to applicable laws or regulations, including but not limited to the Listing Rules and/or the Takeovers Code.

DEFINITIONS

In this Composite Document, unless the context otherwise requires, the following expressions have the following meanings:

“acting in concert” and “parties acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Closing Date”	20 June 2025, being the closing date of the Offers or any subsequent closing date in the event that the Offers are extended or revised in accordance with the Takeovers Code
“Company”	Tokyo Chuo Auction Holdings Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1939)
“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the terms of the Sale and Purchase Agreement which took place on 25 April 2025
“Composite Document”	this composite offer and response document jointly issued by the Offeror and the Company in accordance with the Takeovers Code containing, among other things, details of the Offers, the recommendation from the Independent Board Committee to the Independent Shareholders and the Optionholders and the advice from the Joint Independent Financial Advisers to the Independent Board Committee in respect of the Offers
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Diligent Capital”	Diligent Capital Limited, a licensed corporation under the SFO to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being one of the Joint Independent Financial Advisers to the Independent Board Committee and Independent Shareholders in respect of the terms of the Offers and as to acceptance of the Offers

DEFINITIONS

“Director”	the director(s) of the Company
“Emperor Corporate Finance”	Emperor Corporate Finance Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being one of the Joint Independent Financial Advisers to the Independent Board Committee and Independent Shareholders in respect of the terms of the Offers and as to acceptance of the Offers
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Form(s) of Acceptance”	collectively, the PINK Form(s) of Option Offer Acceptance and the WHITE Form(s) of Share Offer Acceptance
“Fortune Origin Securities”	Fortune Origin Securities Limited, a corporation licensed by the SFC to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO, being one of the agents making the Offers on behalf of the Offeror
“Group”	the Company and its subsidiaries from time to time
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees Limited”	a wholly-owned subsidiary of HKSCC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors established for the purpose of advising the Independent Shareholders and the Optionholders in respect of the Offers and in particular as to whether the Offers are fair and reasonable and as to acceptance of the Offers
“Independent Shareholders”	the Shareholders other than the Offeror, Mr. Huang, the Other Purchasers and parties acting in concert with any of them
“Joint Announcement”	the announcement jointly issued by the Offeror and the Company dated 2 May 2025 in relation to, among others, the Offers

DEFINITIONS

“Joint Independent Financial Advisers”	the joint independent financial advisers, namely Emperor Corporate Finance and Diligent Capital, appointed by the Company and approved by the Independent Board Committee for the purpose of advising the Independent Board Committee in respect of the terms of the Offers and as to acceptance of the Offers
“Last Trading Day”	22 April 2025, being the last trading day of the Shares on the Stock Exchange prior to the halt of trading in the Shares pending the release of the Joint Announcement
“Latest Practicable Date”	27 May 2025, being the latest practicable date prior to the printing of this Composite Document for the purpose of ascertaining certain information contained therein
“Lego Corporate Finance”	Lego Corporate Finance Limited, a corporation licensed by the SFC to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Offeror in respect of the Offers
“Lego Securities”	Lego Securities Limited, a corporation licensed by the SFC to conduct Type 1 (dealing in securities) regulated activity under the SFO, being one of the agents making the Offers on behalf of the Offeror
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Huang”	Mr. Huang Shikun
“Mr. Li”	Mr. Li Jiefeng
“Mr. Zheng”	Mr. Zheng Haoran
“Non-disposal Undertakings”	the non-disposal undertakings given by each of the Other Purchasers in favour of the Offeror that he/it will not sell, transfer, dispose of, create or agree to create any encumbrance over his/its interest in 15,000,000 Shares or otherwise dispose of such other interests over his/its interests in 15,000,000 Shares in the following manners: (i) as to 5,000,000 Shares at any time during two-year period from the date of Completion; (ii) as to 5,000,000 Shares at any time during three-year period from the date of Completion; and (iii) as to 5,000,000 Shares at any time during four-year period from the date of Completion
“Offeror”	ESSA FINANCIAL GROUP LTD, a company incorporated in the British Virgin Islands with limited liability which is ultimately wholly and beneficially owned by Mr. Huang

DEFINITIONS

“Offers”	collectively, the Share Offer and the Option Offer
“Offer Period”	has the meaning ascribed to it under the Takeovers Code, being the period commencing from the date of the Joint Announcement and ending on the Closing Date
“Offer Share(s)”	all the issued Shares (other than those already beneficially owned or to be acquired by the Offeror, the Other Purchasers and parties acting in concert with any of them)
“Optionholder(s)”	the holder (s) of the Share Option(s)
“Option Offer”	the mandatory unconditional cash offer being jointly made by Lego Securities and Fortune Origin Securities for and on behalf of the Offeror to cancel the outstanding Share Options in compliance with the Takeovers Code
“Option Offer Price”	the price at which the Option Offer will be made, being HK\$0.0001 for the cancellation of each Share Option held by the Optionholders
“Other Purchasers”	collectively, Ruihe Data, Mr. Li and Mr. Zheng
“Overseas Optionholders”	Optionholders whose addresses as shown on the register of optionholders of the Company are outside Hong Kong
“Overseas Shareholders”	Independent Shareholders whose addresses as shown on the register of members of the Company are outside Hong Kong
“ PINK Form(s) of Option Offer Acceptance”	the PINK form(s) of acceptance and cancellation of the Share Options in respect of the Option Offer accompanying this Composite Document
“PRC”	the People’s Republic of China, for the purpose of this Composite Document, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Ruihe Data”	Ruihe Data Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 3680)
“Registrar”	Tricor Investor Services Limited, the branch share registrar of the Company in Hong Kong, situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, being the agent to receive the WHITE Forms of Share Offer Acceptance under the Share Offer

DEFINITIONS

“Relevant Period”	the period from 2 November 2024, being the date falling six months preceding the commencement of the Offer Period, up to and including the Latest Practicable Date
“Sale and Purchase Agreement”	the sale and purchase agreement dated 25 April 2025 and entered into among the Vendor as vendor and the Offeror and the Other Purchasers as purchasers in relation to the sale and purchase of the Sale Shares
“Sale Share(s)”	the 374,967,278 Shares transferred to the Offeror and the Other Purchasers from the Vendor pursuant to the Sale and Purchase Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the share capital of the Company
“Share Offer”	the mandatory unconditional cash offer being jointly made by Lego Securities and Fortune Origin Securities on behalf of the Offeror to acquire all the Offer Shares
“Share Offer Price”	HK\$0.44 per Offer Share
“Share Option(s)”	the outstanding share option(s) granted by the Company under the Share Option Scheme
“Share Option Scheme”	the share option scheme conditionally adopted by the Company on 13 September 2018
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Undertakings”	the undertakings given by all the Optionholders in favour of the Company and the Offeror that they shall not exercise any of the Share Options held by them until the Share Options are cancelled or lapsed
“Vendor”	Mr. Ando Shokei, an executive Director and the chairman of the Board, and the controlling Shareholder before Completion

DEFINITIONS

“**WHITE** Form(s) of Share Offer Acceptance” the **WHITE** form(s) of acceptance in respect of the Share Offer accompanying this Composite Document

“**HK\$**” Hong Kong dollars, the lawful currency of Hong Kong

“**%**” per cent

* *For identification purpose only*



To the Independent Shareholders and the Optionholders:

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFERS BY
LEGO SECURITIES LIMITED AND
FORTUNE ORIGIN SECURITIES LIMITED
FOR AND ON BEHALF OF
ESSA FINANCIAL GROUP LTD
TO ACQUIRE ALL THE ISSUED SHARES IN
TOKYO CHUO AUCTION HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED
OR TO BE ACQUIRED BY
ESSA FINANCIAL GROUP LTD, THE OTHER PURCHASERS
AND PARTIES ACTING IN CONCERT WITH ANY OF THEM) AND
TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF
TOKYO CHUO AUCTION HOLDINGS LIMITED**

INTRODUCTION

Reference is made to the Joint Announcement in relation to, among others, the Sale and Purchase Agreement and the Offers. Unless otherwise specified, capitalised terms used in this letter shall have the same meanings as those defined in this Composite Document.

As disclosed in the Joint Announcement, on 25 April 2025, the Vendor, the Offeror and the Other Purchasers entered into the Sale and Purchase Agreement pursuant to which the Vendor has agreed to sell and the Offeror and the Other Purchasers have agreed to purchase an aggregate of 374,967,278 Sale Shares, representing approximately 74.99% of the total issued share capital of the Company as at the date of the Joint Announcement. The total consideration for the Sale Shares is HK\$164,985,602.32, which is equivalent to HK\$0.44 per Sale Share. Completion took place on 25 April 2025.

Upon Completion, the Offeror, the Other Purchasers and the parties acting in concert with any of them were interested in a total of 374,967,278 Shares, representing approximately 74.99% of the total issued share capital of the Company.

Pursuant to Rules 13 and 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make a mandatory unconditional cash offers for all the issued Shares (other than those already owned or to be acquired by the Offeror, the Other Purchasers and the parties acting in concert with any of them) and to cancel all the outstanding Share Options.

LETTER FROM LEGO SECURITIES AND FORTUNE ORIGIN SECURITIES

This letter forms part of this Composite Document and sets out, among other things, details of the terms of the Offers, the information of the Offeror and the intention of the Offeror in relation to the Group. Further details of the terms and the procedures of acceptance of the Offers are set out in Appendix I to this Composite Document and the accompanying Forms of Acceptance.

MANDATORY UNCONDITIONAL CASH OFFERS

Principal terms of the Offers

Lego Securities and Fortune Origin Securities, for and on behalf of the Offeror, are jointly making the Offers in compliance with the Takeovers Code on the following basis:

The Share Offer

For each Offer ShareHK\$0.44 in cash

The Share Offer Price of HK\$0.44 per Offer Share is equal to the price per Sale Share paid by the Offeror and the Other Purchasers under the Sale and Purchase Agreement.

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

The Option Offer

For cancellation of each Share Option with
exercise price of HK\$0.8 per Share HK\$0.0001 in cash

Pursuant to Rule 13 of the Takeovers Code, the Offeror is making an appropriate cash offer to the Optionholders for the cancellation of the Share Options. The Option Offer Price would normally be the see-through price which represents the amount by which the Share Offer Price per Offer Share exceeds the exercise price of each Share Option. Under the Option Offer, as the exercise price of all outstanding Share Options exceeds the Share Offer Price, the “see-through” price is negative and the Option Offer Price is at the nominal amount of HK\$0.0001 per Share Option. Following acceptance of the Option Offer, the relevant Share Options together with all rights attaching thereto will be entirely cancelled and renounced.

The Offers are unconditional in all aspects when being made.

The Offeror will not increase the Share Offer Price. Shareholders, Optionholders and potential investors are reminded to monitor the announcements to be made by the Company or jointly by the Offeror and the Company in respect of the progress of the Offers and are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Comparison of value

The Share Offer Price of HK\$0.44 per Offer Share represents:

- (i) a discount of approximately 63.33% to the closing price of HK\$1.20 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 70.67% to the closing price of HK\$1.50 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 34.91% to the average of the closing prices as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.676 per Share;
- (iv) a discount of approximately 7.95% to the audited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.478 per Share (based on the total number of the issued Shares as at the Latest Practicable Date) as at 31 March 2024, being the date to which the latest published audited annual financial results of the Group were made up; and
- (v) a discount of approximately 9.28% to the unaudited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.485 per Share (based on the total number of the issued Shares as at the Latest Practicable Date) as at 30 September 2024, being the date to which the latest published unaudited interim financial results of the Group were made up.

Highest and lowest Share prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period were HK\$1.50 per Share (on 22 April 2025 and 12 May 2025) and HK\$0.42 per Share (on 11, 12, 13, 14, 17, 18, 19, 20 and 21 March 2025), respectively.

Value of the Offers

Based on the Share Offer Price of HK\$0.44 per Offer Share and 500,000,000 Shares in issue as at the Latest Practicable Date, the entire issued share capital of the Company is valued at HK\$220 million.

Pursuant to the Undertakings, all the Optionholders have irrevocably and unconditionally undertaken to and covenant with the Company and the Offeror that they shall not exercise any of the Share Options held by them until the Share Options are cancelled or lapsed.

As at the Latest Practicable Date, excluding the total number of 374,967,278 Shares held by the Offeror, the Other Purchasers and the parties acting in concert with any of them, a total of 125,032,722 Shares will be subject to the Share Offer and the value of the

LETTER FROM LEGO SECURITIES AND FORTUNE ORIGIN SECURITIES

Share Offer is approximately HK\$55.01 million (assuming there is no change in the number of issued Shares before the close of Offers and no Share Option is exercised prior to the close of the Share Offer).

Assuming no Share Option is exercised prior to the close of the Share Offer given the Undertakings, a total of 48,000,000 Share Options will be subject to the Option Offer and the value of the Option Offer is HK\$4,800.

Confirmation of financial resources available for the Offers

The Offeror intends to finance the entire consideration payable under the Offers by a facility extended by Fortune Origin Securities in the amount of up to HK\$56.0 million. Pursuant to the terms of the facility, so long as any part of the facility or any other amounts payable under the facility remain outstanding, the Offer Shares acquired by the Offeror under the Offers shall be deposited to the margin securities account of the Offeror with Fortune Origin Securities from time to time.

Lego Corporate Finance, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the total consideration payable by the Offeror upon full acceptances of the Offers.

Effect of accepting the Offers

By accepting the Share Offer, the Shareholders will sell their Shares to the Offeror free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Share Offer is made, being the date of this Composite Document.

By accepting the Option Offer, the Optionholders will agree to the cancellation of their tendered Share Options and all rights attached thereto with effect from the date on which the Option Offer is made, being the date of this Composite Document. In accordance with the Share Option Scheme, the Share Options will lapse automatically (to the extent not exercised) upon the close of the Offers.

Acceptances of the Offers shall be irrevocable and not capable of being withdrawn, except as otherwise permitted under the Takeovers Code.

Hong Kong stamp duty

Seller's Hong Kong ad valorem stamp duty on acceptances of the Share Offer at a rate of 0.1% of the total consideration payable in respect of the relevant acceptances or, if higher, the market value of the Offer Shares subject to such acceptance, will be deducted from the amounts payable to Independent Shareholders who accept the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Independent Shareholders who accept the Share Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfers of the relevant Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

LETTER FROM LEGO SECURITIES AND FORTUNE ORIGIN SECURITIES

No stamp duty is payable in connection with the Option Offer.

Payment

Payment in cash in respect of the Offers will be made as soon as possible but in any event no later than seven (7) Business Days after the date on which the duly completed Form(s) of Acceptance and the relevant documents of title of the Shares or the Share Options (as the case may be) are received by the Registrar in respect of the Share Offer or the Company in respect of the Option Offer to render each such acceptance under the Offers complete and valid pursuant to Rule 20.1 and Note 1 to Rule 30.2 of the Takeovers Code.

Taxation Advice

Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, parties acting in concert with the Offeror, the Company, Lego Corporate Finance, Lego Securities, Fortune Origin Securities, Emperor Corporate Finance, Diligent Capital and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

Availability of the Offers

The Offeror is making the Offers available to all Independent Shareholders and Optionholders, including the Overseas Shareholders and Overseas Optionholders. Based on the register of members of the Company, there were no Overseas Shareholders as at the Latest Practicable Date. However, the Offers to persons not resident in Hong Kong may be affected by the laws and regulations of the relevant jurisdiction in which they are resident. The making of the Offers to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or limited by the laws or regulations of the relevant jurisdictions. Overseas Shareholders and/or Overseas Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should fully observe any applicable legal or regulatory requirements and, where necessary, seek independent legal advice. It is the responsibilities of the Overseas Shareholders and the Overseas Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from such Overseas Shareholders and/or Overseas Optionholders in respect of such jurisdictions).

Any acceptance of the Offers by any Overseas Shareholders and/or Overseas Optionholders will be deemed to constitute a representation and warranty from such Overseas Shareholders and/or Overseas Optionholders to the Offeror that the local laws and requirements have been complied with. Overseas Shareholders and Overseas Optionholders should consult their professional advisers if in doubt.

INFORMATION ON THE OFFEROR, MR. HUANG AND THE OTHER PURCHASERS

The Offeror and Mr. Huang

The Offeror is incorporated in the British Virgin Islands with limited liability, and is an investment holding company ultimately wholly and beneficially owned by Mr. Huang. The sole director of the Offeror is Mr. Huang.

Mr. Huang, aged 44, graduated with an Executive Master of Business Administration degree from Tsinghua University and a Master of Business Administration degree from The Chinese University of Hong Kong in a programme jointly offered by both universities. Mr. Huang is the chairman of 深圳金雅福控股集團有限公司 (Shenzhen Kinghood Holding Group Company Limited*) (“**Shenzhen Kinghood**”), a company principally engaged in gold and jewellery industry chain. Shenzhen Kinghood ranked 295th in 2024 Fortune China 500. Mr. Huang holds approximately 57.06% equity interest directly in Shenzhen Kinghood and approximately 40.87% indirectly in Shenzhen Kinghood through a company owned as to 95% by him. Mr Huang is also a member of the 12th and 13th Guangdong Provincial Committee of the Chinese People’s Political Consultative Conference, the vice chairman of the Shenzhen Federation of Industry and Commerce, and the chairman of the Shenzhen Federation of New Social Class People* (深圳市新的社會階層人士聯合會). Notwithstanding that Mr. Huang’s background and experience may not directly correlate with the Company’s principal business, the Offeror intends to provide values to the Group by leveraging Mr. Huang’s personal background, management experience, extensive network and business connections in the PRC. Please refer to the section headed “**INTENTION OF THE OFFEROR ON THE COMPANY**” in this letter for further information.

Mr. Huang is the brother of Mr. Huang Shifeng, being the nominated executive Director.

The Other Purchasers

Ruihe Data is a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 3680). Ruihe Data and its subsidiaries are principally engaged in provision of data solutions, sales of hardware and software and related services as an integrated service, information technology maintenance and support services and trading of commodities. Based on the public information available, no shareholders of Ruihe Data hold 30% or more of the voting rights of Ruihe Data.

Mr. Li, aged 58, graduated with a Master of Business Administration degree from The University of Sunderland by way of distance learning. Mr. Li holds the qualification of senior engineer specialising in architectural decoration design approved by Beijing Senior Specialized Technique Qualification Evaluation Committee. Mr. Li is now the owner of JKL Investment, s.r.o., a company incorporated in Czech Republic which is principally engaged in investment holdings.

Mr. Zheng, aged 36, graduated with a bachelor's degree in information and computing science from Dalian Ocean University in 2013. Mr. Zheng worked in China Merchants Bank from July 2013 to June 2023 with the last position as the president of Renmin Road Sub-branch, Zhuhai Branch of China Merchants Bank. Mr. Zheng is one of the founding partners of 沁灣(深圳)私募股權基金管理合夥企業(有限合夥)(Qinwan (Shenzhen) Private Equity Fund Management Partnership (Limited Partnership)*) (“Qinwan”), which is principally engaged in private equity fund management. He has been a compliance and risk control officer of Qinwan since June 2023.

INTENTION OF THE OFFEROR ON THE COMPANY

The Group is principally engaged in the provision of auction and related services as well as artwork sales in Hong Kong and Japan. The Offeror has no intention (i) to discontinue the employment of the employees; (ii) to dispose (other than the change in proposed change of the Board composition as detailed below) of or re-deploy the assets of the Group other than those in its ordinary course of business; and (iii) to downsize, cease or dispose of any of the existing businesses, operations and assets of the Group. The Offeror also intends to continue the existing principal business of the Group immediately following Completion. It is currently intended that, subject to the review by the Offeror from time to time, current directors of the Group's subsidiary who are necessary to participate in the Group's ongoing operations will remain as directors at the relevant Group company following Completion.

The Group is principally engaged in the provision of auction and related services as well as artwork sales in Hong Kong and Japan. As in line with the Group's aim to establish and enhance brand image and influence in other major Asian cities and the global markets, in addition to the Group's aspiration to diversify its business scope into contemporary artworks and jewellery and further expanding business in Taiwan markets, the Offeror and the Group are open to explore the possibilities of tapping into the auction and related services market in the Guangdong-Hong Kong-Macao Greater Bay Area in the future. By leveraging Mr. Huang's personal background, management experience, extensive network and business connections in the PRC, the Offeror intends to provide values to the Group in exploring continuous business development in the auction and related services sector and other potential business opportunities that will be synergised with the Group's current businesses. Nevertheless, the Offeror will conduct a detailed review on the existing principal businesses and operations, and the financial position of the Group for the purpose of formulating business plans and strategies for the Group's long-term business development and will explore other business opportunities for the Group. Subject to the results of the review, and should suitable investment or business opportunities arise, the Offeror may consider whether any assets and/or business acquisitions or disposals by the Group will be appropriate in order to enhance its growth. As at the Latest Practicable Date, no investment or business opportunity has been identified nor have the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group.

PROPOSED CHANGE OF BOARD COMPOSITION

As at the Latest Practicable Date, the Board comprised of four executive Directors, namely Mr. Ando Shokei, Mrs. Ando Eri, Mr. Katsu Bunkai and Mr. Sun Hongyue, and three independent non-executive Directors, namely Mr. Chung Kwok Mo John, Ms. Lam Suk Ling Shirley and Mr. Chun Chi Man.

It was intended that all of the executive Directors and independent non-executive Directors would resign with effect from the earliest time permitted under the Takeovers Code. The Offeror intends to nominate new Directors for appointment to the Board with effect from the earliest time permitted under the Takeovers Code and any such appointment will be made in compliance with the Takeovers Code and the Listing Rules.

As at the Latest Practicable Date, the Offeror has nominated Mr. Huang as an executive Director and chairman of the Board and Mr. Huang Shifeng (“**Mr. Huang SF**”), Ms. Qian Yuanyuan (“**Ms. Qian**”) and Mr. Tong Jun (“**Mr. Tong**”) as executive Directors, Mr. Li and Mr. Zheng as non-executive Directors, and Professor He Jia (“**Professor He**”), Professor Hu Zuohao (“**Professor Hu**”) and Mr. Leung Ting Yuk (“**Mr. Leung**”) as independent non-executive Directors. The appointment of the Directors will take effect after the posting of this Composite Document. The change of the chairman of the Board will take effect from the first Closing Date.

The biographical details of three of the nominated Directors namely, Mr. Huang, Mr. Li and Mr. Zheng are set out in the section headed “INFORMATION ON THE OFFEROR, MR. HUANG AND THE OTHER PURCHASERS” above. The biographical details of the remaining six nominated Directors, being Mr. Huang SF, Ms. Qian, Mr. Tong, Professor He, Professor Hu and Mr. Leung are set out below:

Mr. Huang Shifeng

Mr. Huang SF, aged 42, graduated with a bachelor’s degree in optical information and science technology from the South China Normal University, the PRC in July 2007. Mr. Huang SF has ample experience in the field of gold and jewellery science and technology and technology research and development innovation. Mr. Huang SF has been the executive president and head of the innovation centre of Shenzhen Kinghood since January 2009 and the general manager of Shenzhen Shangshan Intelligent Company Limited* (深圳上善智能有限公司) since May 2020.

Mr. Huang SF is the brother of Mr. Huang, being the nominated executive Director and chairman of the Board.

Ms. Qian Yuanyuan

Ms. Qian, aged 41, obtained a doctor of philosophy in management from Zhejiang University, the PRC in June 2010. From July 2010 to June 2016, Ms. Qian worked at Shenzhen Gold Investment Co., Ltd. Ms. Qian joined Shenzhen Kinghood in May 2018 and had been the general manager of training from May 2018 to December 2020, the assistant to the president of the gold and jewelry banking channel from December 2020 to March 2025 and the vice president since April 2025.

Mr. Tong Jun

Mr. Tong, aged 60, obtained a master of business administration from The Chinese University of Hong Kong in December 2009. From March 2012 to September 2016, Mr. Tong was the general manager of Shenzhen Kinghood and since May 2020, Mr. Tong has been the executive vice president of Shenzhen Kinghood. From December 2016 to November 2018, Mr. Tong was the associate vice president and director of senior management training of the Shenzhen Finance Institute, Chinese University of Hong Kong-Shenzhen. He was also the deputy general manager of the financial and securities department of Shenzhen Neptunus Group Co., Ltd. from July 2002 to February 2012.

Professor He Jia

Professor He, aged 70, studied as a worker-peasant-soldier student in the mathematics department of Heilongjiang University, the PRC from October 1975 to July 1978, graduated with a master's degree in computer science and decision-making from Shanghai Jiao Tong University, the PRC in December 1983 and obtained a doctor of philosophy in finance from The Wharton School of the University of Pennsylvania, the United States of America in August 1988. Professor He has more than 35 years of experience in academia in higher education institutes in the PRC and the United States of America. Since October 2021, Professor He has been the chair professor at Shandong University and from May 2021 to July 2024, Professor He was the Qiushi chair professor of the International Business School of Zhejiang University. Since February 2022, Professor He has been the chairman of the internet investment and financing working committee of the Internet Society of China* (中國互聯網協會互聯網投融資工作委員會). Professor He has also been the independent director of CGS International Holdings Limited since 2011.

Professor He has been appointed as (i) an independent non-executive director of China Chengtong Development Group Limited (Stock Code: 217) since September 2015, a company listed on the Main Board of the Stock Exchange; (ii) an independent director of Tibet Huayu Mining Co., Ltd. (Stock Code: 601020) since December 2024, a company listed on the Shanghai Stock Exchange; and (iii) an independent non-executive director of Bank of Tianjin Co., Ltd. (Stock Code: 1578) from June 2018 to January 2025, a company listed on the Main Board of the Stock Exchange.

Professor Hu Zuohao

Professor Hu, aged 60, graduated with a bachelor's degree in solid mechanics from Huazhong Institute of Technology* (華中工學院), the PRC (presently known as Huazhong University of Science and Technology) in July 1985. He then obtained a master's degree in industrial management engineering from Zhejiang University, the PRC in July 1988 and a doctor of philosophy in economics from Kyoto University, Japan, in January 2000. Professor Hu has been a professor of the School of Economics and Management at Tsinghua University since December 2007, an associate professor of the School of Economics and Management at Tsinghua University from August 2001 to November 2007, a lecturer at the School of Economics and Management at

Tsinghua University from August 2000 to August 2001 and a lecturer at the School of Management at Zhejiang University from August 1988 to October 1995. Professor Hu is also currently the vice chairman and the enterprise working committee director of the Chinese Marketing Association of Universities and the executive deputy director of the China Enterprise Research Centre* (中國企業研究中心) of the School of Economics and Management at Tsinghua University.

Professor Hu has been the independent director of each of (i) Qingdao Richen Food Co. Ltd. (Stock Code: 603755) since May 2022, a company listed on the Shanghai Stock Exchange; (ii) Beijing Tri-Prime Gene Pharmaceutical Co., Ltd. (Stock Code: 837344) since May 2024, a company listed on the Beijing Stock Exchange; and (iii) Ocean's King Lighting Science & Technology Co., Ltd. (Stock Code: 002724) since June 2020, a company listed on the Shenzhen Stock Exchange.

Mr. Leung Ting Yuk

Mr. Leung, aged 50, graduated with a bachelor of commerce in accountancy from the University of Wollongong, Australia, in July 2000. Mr. Leung has been accredited as a Certified Practising Accountant of CPA Australia in November 2006 and as a Certified Public Accountant of The Hong Kong Institute of Certified Public Accountants in January 2008. Mr. Leung has more than 19 years of experience in the financial management, accounting and auditing field.

Mr. Leung has been appointed as an independent non-executive director of Yanchang Petroleum International Limited (Stock Code: 346) since December 2009, an independent non-executive director of Most Kwai Chung Limited (Stock Code: 1716) since March 2018, an independent non-executive director of Xinyi Energy Holdings Limited (Stock Code: 3868) since November 2018 and an independent non-executive director of Tai United Holdings Limited (Stock Code: 718) since July 2023, each being companies listed on the Main Board of the Stock Exchange.

The Company will enter into a service contract with each of Mr. Huang, Mr. Huang SF, Ms. Qian and Mr. Tong, respectively, with a term of one year from the date of appointment which shall be renewed automatically for successive terms of one year unless terminated by either party with one month's written notice. Each of Mr. Huang, Mr. Huang SF, Ms. Qian and Mr. Tong shall be subject to retirement by rotation and re-election at the annual general meeting in accordance with the articles of association of the Company. Pursuant to the service contract to be entered into, each of Mr. Huang, Mr. Huang SF, Ms. Qian and Mr. Tong is entitled to a Director's fee in the amount as set out below. The Director's fee for Mr. Huang, Mr. Huang SF, Ms. Qian and Mr. Tong will be reviewed annually by the Board with reference to his/her duties and responsibilities with the Group and the Group's remuneration policy. During their terms of service, save for the Director's fee, no remuneration shall be paid by the Company to each of Mr. Huang, Mr. Huang SF, Ms. Qian and Mr. Tong for his/her service as a Director, and no other welfare or bonus shall be paid.

LETTER FROM LEGO SECURITIES AND FORTUNE ORIGIN SECURITIES

Nominated Director	Director's fee per annum
Mr. Huang	HK\$480,000
Mr. Huang SF	HK\$360,000
Ms. Qian	HK\$240,000
Mr. Tong	HK\$240,000

The Company will enter into a letter of appointment with each of Mr. Li, Mr. Zheng, Professor He, Professor Hu and Mr. Leung, respectively, with a term of one year from the date of appointment which shall be renewed automatically for successive terms of one year unless terminated by either party with one month's written notice. Each of Mr. Li, Mr. Zheng, Professor He, Professor Hu and Mr. Leung shall be subject to retirement by rotation and re-election at the annual general meeting in accordance with the articles of association of the Company. Pursuant to the letter of appointment to be entered into, each of Mr. Li, Mr. Zheng, Professor He, Professor Hu and Mr. Leung is entitled to a Director's fee in the amount as set out below. The Director's fee for Mr. Li, Mr. Zheng, Professor He, Professor Hu and Mr. Leung will be reviewed annually by the Board with reference to his duties and responsibilities with the Group and the Group's remuneration policy. During their terms of service, save for the Director's fee, no remuneration shall be paid by the Company to each of Mr. Li, Mr. Zheng, Professor He, Professor Hu and Mr. Leung for his service as a Director, and no other welfare or bonus shall be paid.

Nominated Director	Director's fee per annum
Mr. Li	HK\$60,000
Mr. Zheng	HK\$60,000
Professor He	HK\$120,000
Professor Hu	HK\$120,000
Mr. Leung	HK\$120,000

Each of Mr. Huang, Mr. Huang SF, Ms. Qian, Mr. Tong, Mr. Li, Mr. Zheng, Professor He, Professor Hu and Mr. Leung has confirmed that, save as disclosed in this Composite Document, as at the Latest Practicable Date, he/she did not (i) hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) have any relationship with any director, senior management or substantial or controlling shareholders of the Company; (iii) hold any position in the Company or other members of the Group; and (iv) have nor deemed to have any interest in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

LETTER FROM LEGO SECURITIES AND FORTUNE ORIGIN SECURITIES

Save as disclosed in this Composite Document, there is no other information relating to the appointment of Mr. Huang, Mr. Huang SF, Ms. Qian, Mr. Tong, Mr. Li, Mr. Zheng, Professor He, Professor Hu and Mr. Leung that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made by the Company as and when appropriate.

MAINTAINING THE LISTING STATUS OF THE COMPANY

Pursuant to the Listing Rules, the Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury shares), are held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends the Company to remain listed on the Stock Exchange after the close of the Offers. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offers. The sole director of the Offeror and the new Directors to be appointed to the Board have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares, such as disposal of Shares held by the Offeror or parties acting in concert with it and/or issue of additional Shares by the Company for this purpose. The Company and the Offeror will issue a separate announcement as and when necessary in this regard.

PROCEDURES FOR ACCEPTANCE AND SETTLEMENT

Your attention is drawn to the further details regarding the procedures for acceptance and settlement of the Offers set out in the Appendix I to this Composite Document and the accompanying Forms of Acceptance.

COMPULSORY ACQUISITION

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offers.

LETTER FROM LEGO SECURITIES AND FORTUNE ORIGIN SECURITIES

GENERAL

All documents and remittances to be sent to the Independent Shareholders and the Optionholders will be sent to them by ordinary post at their own risk. Such documents and remittances will be sent to them at their respective addresses as they appear in the register of members of the Company and in the case of joint Independent Shareholders, to such Independent Shareholder whose name appears first in the register of members of the Company, or in the case of joint Optionholders, to such Optionholder whose name appears first in the records of the Company. None of the Offeror, the Company, Lego Securities, Fortune Origin Securities, Lego Corporate Finance, Emperor Corporate Finance, Diligent Capital, Registrar and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents, advisers or associates or any other person involved in the Offers will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof or in connection therewith.

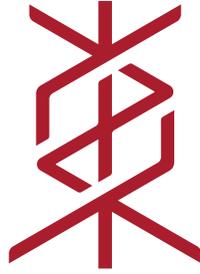
ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Composite Document and the accompanying Forms of Acceptance, which form parts of this Composite Document. You are reminded to read carefully the “Letter from the Board”, the “Letter from the Independent Board Committee”, the “Letter from the Joint Independent Financial Advisers” and other information about the Group, which are set out in this Composite Document, before deciding whether or not to accept the Offers.

If you are in doubt about your position in connection with the Offers, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

Yours faithfully
For and on behalf of
Fortune Origin Securities Limited
Nicholas Pong
Responsible Officer

Yours faithfully
For and on behalf of
Lego Securities Limited
Kelvin Li
Director



東京中央拍賣控股有限公司
TOKYO CHUO AUCTION HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 1939)

Executive Directors:

Mr. Ando Shokei (*Chairman*)
Mrs. Ando Eri
Mr. Katsu Bunkai
Mr. Sun Hongyue

Independent non-executive Directors:

Mr. Chung Kwok Mo John
Ms. Lam Suk Ling Shirley
Mr. Chun Chi Man

Registered office:

Room 2601, 26/F Wing On Centre
No. 111 Connaught Road Central
Hong Kong

*Head office and principal place of
business in Japan:*

2/F and 3/F Kyobashi-Square
3-7-5 Kyobashi Chuo-ku
Tokyo Japan

30 May 2025

To the Independent Shareholders and the Optionholders

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFERS BY
LEGO SECURITIES LIMITED AND
FORTUNE ORIGIN SECURITIES LIMITED
FOR AND ON BEHALF OF
ESSA FINANCIAL GROUP LTD
TO ACQUIRE ALL THE ISSUED SHARES IN
TOKYO CHUO AUCTION HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED
OR TO BE ACQUIRED BY
ESSA FINANCIAL GROUP LTD, THE OTHER PURCHASERS
AND PARTIES ACTING IN CONCERT WITH ANY OF THEM) AND
TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF
TOKYO CHUO AUCTION HOLDINGS LIMITED**

LETTER FROM THE BOARD

INTRODUCTION

Reference is made to the Joint Announcement in relation to, among others, the Sale and Purchase Agreement and the Offers. Unless otherwise specified, capitalised terms used in this letter shall have the same meanings as those defined in this Composite Document.

As disclosed in the Joint Announcement, on 25 April 2025, the Vendor, the Offeror and the Other Purchasers entered into the Sale and Purchase Agreement pursuant to which the Vendor has agreed to sell and the Offeror and the Other Purchasers have agreed to purchase an aggregate of 374,967,278 Sale Shares, representing approximately 74.99% of the total issued share capital of the Company as at the date of the Joint Announcement. The total consideration for the Sale Shares is HK\$164,985,602.32, which is equivalent to HK\$0.44 per Sale Share. Completion took place on 25 April 2025.

Upon Completion, the Offeror, the Other Purchasers and the parties acting in concert with any of them were interested in a total of 374,967,278 Shares, representing approximately 74.99% of the total issued share capital of the Company.

Pursuant to Rules 13 and 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make a mandatory unconditional cash offers for all the issued Shares (other than those already owned or to be acquired by the Offeror, the Other Purchasers and the parties acting in concert with any of them) and to cancel all the outstanding Share Options.

The purpose of this Composite Document is to provide you with, among others, details of the Offers, the recommendation from the Independent Board Committee to the Independent Shareholders and the Optionholders, and the advice from the Joint Independent Financial Advisers in respect of the Offers, together with the Form(s) of Acceptance.

INDEPENDENT BOARD COMMITTEE AND JOINT INDEPENDENT FINANCIAL ADVISERS

Pursuant to Rules 2.1 and 2.8 of the Takeovers Code, the Independent Board Committee comprising all the independent non-executive Directors, namely, Mr. Chung Kwok Mo John, Ms. Lam Suk Ling Shirley and Mr. Chun Chi Man, has been established by the Board to advise the Independent Shareholders and the Optionholders as to whether the Offers are fair and reasonable and as to the acceptance of the Offers.

The Joint Independent Financial Advisers have been appointed to advise the Independent Board Committee in respect of the Offers and, in particular, as to whether the Offers are fair and reasonable and as to acceptance of the Offers. Such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

You are advised to read the “Letter from the Independent Board Committee” addressed to the Independent Shareholders and the Optionholders, the “Letter from the Joint Independent Financial Advisers” and the additional information contained in the appendices to this Composite Document before taking any actions in respect of the Offers.

LETTER FROM THE BOARD

MANDATORY UNCONDITIONAL CASH OFFERS

Immediately prior to Completion, save for 374,967,278 Sale Shares held by the Vendor, none of the Offeror, the Other Purchasers and the parties acting in concert with any of them held, owned, controlled or had the right of direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Upon Completion, the Offeror, the Other Purchasers and the parties acting in concert with any of them are interested in a total of 374,967,278 Shares, representing approximately 74.99% of the total issued share capital of the Company.

Pursuant to Rules 13 and 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make a mandatory unconditional cash offers for all the issued Shares (other than those already owned or to be acquired by the Offeror, the Other Purchasers and the parties acting in concert with any of them) and to cancel all the outstanding Share Options.

As at the Latest Practicable Date, the Company has 500,000,000 Shares in issue and 48,000,000 outstanding Share Options which entitle the holders thereof to subscribe for 48,000,000 new Shares at an exercise price of HK\$0.80 per Share. Save for the Shares and 48,000,000 outstanding Share Options, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the Latest Practicable Date.

Principal terms of the Offers

Lego Securities and Fortune Origin Securities, for and on behalf of the Offeror, are jointly making the Offers in compliance with the Takeovers Code on the following basis:

The Share Offer

For each Offer ShareHK\$0.44 in cash

The Share Offer Price of HK\$0.44 per Offer Share is equal to the price per Sale Share paid by the Offeror and the Other Purchasers under the Sale and Purchase Agreement.

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

The Option Offer

For cancellation of each Share Option with
exercise price of HK\$0.8 per ShareHK\$0.0001 in cash

Pursuant to Rule 13 of the Takeovers Code, the Offeror is making an appropriate cash offer to the Optionholders for the cancellation of the Share Options. The Option Offer Price would normally be the see-through price which represents the amount by which the Share Offer Price per Offer Share exceeds the exercise price of each Share Option. Under the Option Offer, as the exercise price of all outstanding Share Options exceeds the Share Offer Price, the “see-through” price is negative and the Option Offer Price is at the nominal

LETTER FROM THE BOARD

amount of HK\$0.0001 per Share Option. Following acceptance of the Option Offer, the relevant Share Options together with all rights attaching thereto will be entirely cancelled and renounced.

The Offers are unconditional in all aspects when being made.

Comparison of Value

The Share Offer Price of HK\$0.44 per Offer Share represents:

- (i) a discount of approximately 63.33% to the closing price of HK\$1.20 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 70.67% to the closing price of HK\$1.50 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 34.91% to the average of the closing prices as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.676 per Share;
- (iv) a discount of approximately 7.95% to the audited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.478 per Share (based on the total number of the issued Shares as at the Latest Practicable Date) as at 31 March 2024, being the date to which the latest published audited annual financial results of the Group were made up; and
- (v) a discount of approximately 9.28% to the unaudited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.485 per Share (based on the total number of the issued Shares as at the Latest Practicable Date) as at 30 September 2024, being the date to which the latest published unaudited interim financial results of the Group were made up.

Highest and lowest Share prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period were HK\$1.50 per Share (on 22 April 2025 and 12 May 2025) and HK\$0.42 per Share (on 11, 12, 13, 14, 17, 18, 19, 20 and 21 March 2025), respectively.

Value of the Offers

Your attention is drawn to the section headed “Value of the Offers” in the Letter from Lego Securities and Fortune Origin Securities” contained in this Composite Document which sets out the value of the Offers.

LETTER FROM THE BOARD

INFORMATION ON THE GROUP

The Company is a company incorporated in Hong Kong with limited liability, the issued Shares of which are currently listed on the Main Board of the Stock Exchange (stock code: 1939). The Group is principally engaged in the provision of auction and related services as well as artwork sales in Hong Kong and Japan.

Your attention is drawn to Appendices II and III to this Composite Document which contain financial information and general information of the Group.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately prior to the Completion; and (ii) immediately following the Completion and as at the Latest Practicable Date:

Shareholders	Immediately prior to the Completion		Immediately after the Completion and as at the Latest Practicable Date	
	<i>Number of Shares</i>	<i>Approximately %</i>	<i>Number of Shares</i>	<i>Approximately %</i>
The Offeror and parties acting in concert with it	374,967,278	74.99	374,967,278	74.99
Vendor (<i>Note 1</i>)	374,967,278	74.99	—	—
Offeror (<i>Note 2</i>)	—	—	329,967,278	65.99
Ruihe Data (<i>Note 3</i>)	—	—	15,000,000	3.00
Mr. Li	—	—	15,000,000	3.00
Mr. Zheng	—	—	15,000,000	3.00
Other Shareholders	<u>125,032,722</u>	<u>25.01</u>	<u>125,032,722</u>	<u>25.01</u>
Total	<u>500,000,000</u>	<u>100.00</u>	<u>500,000,000</u>	<u>100.00</u>

Notes:

- The Vendor is an executive Director and the chairman of the Board. Mrs. Ando Eri, an executive Director, is the spouse of the Vendor. Under the SFO, Mrs. Ando Eri is taken to be interested in the same number of Shares in which the Vendor is interested. Given that part of the consideration for the Sale Shares payable by the Offeror to the Vendor were settled by the issue of the Promissory Note I, the Promissory Note II and the Promissory Note III, the Vendor and the Offeror are presumed parties acting in concert by virtue of class (9) of the definition of “acting in concert” under the Takeovers Code.
- The Offeror is a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Mr. Huang.
- Ruihe Data is a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 3680).

LETTER FROM THE BOARD

4. Save for the Vendor who held 374,967,278 Shares before Completion, none of the other Directors hold any Shares.

INFORMATION ON THE OFFEROR, MR. HUANG AND THE OTHER PURCHASERS

Your attention is drawn to the section headed “INFORMATION ON THE OFFEROR, MR. HUANG AND THE OTHER PURCHASERS” in the “Letter from Lego Securities and Fortune Origin Securities” contained in, and Appendix IV to, this Composite Document.

INTENTION OF THE OFFEROR ON THE COMPANY

Your attention is drawn to the section headed “INTENTION OF THE OFFEROR ON THE COMPANY” in the “Letter from Lego Securities and Fortune Origin Securities” contained in, and Appendix IV to, this Composite Document.

The Board is aware of the intention of the Offeror in relation to the Company and is willing to co-operate with the Offeror and acts in the best interests of the Company and the Shareholders as a whole. The Board understands that: (i) the Offeror has no intention to discontinue the employment of the employees or to dispose (other than the change in proposed change of the Board composition as detailed below) of or re-deploy the assets of the Group other than those in its ordinary course of business or to downsize, cease or dispose of any of the existing businesses, operations and assets of the Group; (ii) the Offeror will continue the existing principal business of the Group immediately following Completion, it is currently intended that, subject to the review by the Offeror from time to time, current directors of the Group’s subsidiary who are necessary to participate in the Group’s ongoing operations will remain as directors at the relevant Group company following Completion; (iii) Mr. Huang will leverage his personal background, management experience, extensive network and business connections in the PRC to explore with the Group regarding the possibilities of tapping into the auction and related services market in the Guangdong-Hong Kong-Macao Greater Bay Area in the future. The Offeror also intends to provide values to the Group in exploring continuous business development in the auction and related services sector and other potential business opportunities that will be synergised with the Group’s current businesses; (iv) the Offeror will conduct a detailed review on the existing principal businesses and operations, and the financial position of the Group for the purpose of formulating business plans and strategies for the Group’s long-term business development and will explore other business opportunities for the Group; (v) subject to the results of the review, and should suitable investment or business opportunities arise, the Offeror may consider whether any assets and/or business acquisitions or disposals by the Group will be appropriate in order to enhance its growth; and (vi) as at the Latest Practicable Date, no investment or business opportunity has been identified nor have the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group.

LETTER FROM THE BOARD

PROPOSED CHANGE OF BOARD COMPOSITION

Your attention is drawn to the section headed “PROPOSED CHANGE OF BOARD COMPOSITION” in the “Letter from Lego Securities and Fortune Origin Securities” contained in this Composite Document.

It was intended that all of the executive Directors and independent non-executive Directors would resign with effect from the earliest time permitted under the Takeovers Code. The Offeror intends to nominate new Directors for appointment to the Board with effect from the earliest time permitted under the Takeovers Code and any such appointment will be made in compliance with the Takeovers Code and the Listing Rules.

As disclosed in the “Letter from Lego Securities and Fortune Origin Securities” as set out in this Composite Document, the Offeror has nominated Mr. Huang as an executive Director and chairman of the Board and Mr. Huang SF, Ms. Qian and Mr. Tong as executive Directors, Mr. Li and Mr. Zheng as non-executive Directors, and Professor He, Professor Hu and Mr. Leung as independent non-executive Directors. The appointment of the Directors will take effect after the posting of this Composite Document. The change of the chairman of the Board will take effect from the first Closing Date. Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made by the Company as and when appropriate.

MAINTAINING THE LISTING STATUS OF THE COMPANY

Your attention is drawn to the section headed “MAINTAINING THE LISTING STATUS OF THE COMPANY” in the “Letter from Lego Securities and Fortune Origin Securities” contained in this Composite Document.

The Board notes that the Offeror intends the Company to remain listed on the Stock Exchange after the close of the Offers. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offers. The sole director of the Offeror and the new Directors to be appointed to the Board have jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares, such as disposal of Shares held by the Offeror or parties acting in concert with it and/or issue of additional Shares by the Company for this purpose.

RECOMMENDATIONS

Your attention is drawn to the “Letter from the Independent Board Committee” and the “Letter from the Joint Independent Financial Advisers” in this Composite Document, which contain, among others, the advice of the Joint Independent Financial Advisers and the Independent Board Committee in relation to the Offers and the principal factors considered by them in arriving at their recommendations, and in particular, as to whether the Offers are fair and reasonable and as to the acceptance of the Offers.

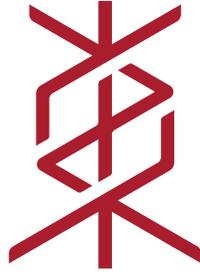
LETTER FROM THE BOARD

ADDITIONAL INFORMATION

You attention is drawn to additional information set out in the appendices to this Composite Document. You are also recommended to read carefully the “Letter from Lego Securities and Fortune Origin Securities” in, and Appendix I to this Composite Document as well as and the accompanying Forms of Acceptance.

If you are in doubt about your position in connection with the Offers, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

By order of the Board of
Tokyo Chuo Auction Holdings Limited
東京中央拍賣控股有限公司
Ando Shokei
Chairman



東京中央拍賣控股有限公司
TOKYO CHUO AUCTION HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 1939)

30 May 2025

To the Independent Shareholders and the Optionholders

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFERS BY
LEGO SECURITIES LIMITED AND
FORTUNE ORIGIN SECURITIES LIMITED
FOR AND ON BEHALF OF
ESSA FINANCIAL GROUP LTD
TO ACQUIRE ALL THE ISSUED SHARES IN
TOKYO CHUO AUCTION HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED
OR TO BE ACQUIRED BY
ESSA FINANCIAL GROUP LTD, THE OTHER PURCHASERS
AND PARTIES ACTING IN CONCERT WITH ANY OF THEM) AND
TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF
TOKYO CHUO AUCTION HOLDINGS LIMITED**

INTRODUCTION

Reference is made to the composite document dated 30 May 2025 jointly issued by the Company and the Offeror (the “**Composite Document**”), of which this letter forms part. Unless otherwise specified, capitalised terms used in this letter shall have the same meanings as defined in the Composite Document.

We have been appointed by the Board to form the Independent Board Committee for the purpose of advising the Independent Shareholders in respect of the Share Offer and the Optionholders in respect of the Option Offer, as to whether the Offers are fair and reasonable and as to acceptance of the Offers.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Emperor Corporate Finance and Diligent Capital have been appointed, with our approval, as the Joint Independent Financial Advisers to advise us in connection with the Offers, as to whether the Offers are fair and reasonable and as to acceptance of the Offers. Details of their advice and the principal factors considered by them in arriving at their advice and recommendations are set out in the “Letter from the Joint Independent Financial Advisers” in the Composite Document.

We also wish to draw your attention to “Letter from Lego Securities and Fortune Origin Securities”, “Letter from the Board” and the additional information set out in the Composite Document, including the appendices to the Composite Document and the accompanying Forms of Acceptance in respect of the terms of the Offers and the acceptance and settlement procedures for the Offers.

RECOMMENDATIONS

Having considered the terms of the Offers, the information contained in the Composite Document and having taken into account the advice and recommendations of the Joint Independent Financial Advisers and the principal factors taken into consideration by them in arriving at their opinion, we consider that the Offers are fair and reasonable so far as the Independent Shareholders and Optionholders are concerned. Therefore, we recommend the Independent Shareholders and Optionholders to accept the Offers.

The Independent Shareholders who wish to realise part or all their investments in the Company are reminded to monitor the trading price and liquidity of the Shares during the Offer Period and should, having regard to their own circumstances, consider selling their Shares in the open market instead of accepting the Share Offer, if the net proceeds obtained from such disposal of the Shares (after deducting all transaction costs) would be higher than the net proceeds from accepting the Share Offer.

Notwithstanding our recommendations, the Independent Shareholders and the Optionholders are strongly recommended to read the full text of the “Letter from the Joint Independent Financial Advisers” as set out in the Composite Document before making their decisions. Further, the Independent Shareholders and Optionholders are strongly advised that the decision to release or hold their investments is subject to individual circumstances and investment objectives. If in doubt, the Independent Shareholders and the Optionholders should consult their own professional advisers for advice.

Yours faithfully,

**Independent Board Committee of
Tokyo Chuo Auction Holdings Limited**

Mr. Chung Kwok Mo John
*Independent non-executive
Director*

Ms. Lam Suk Ling Shirley
*Independent non-executive
Director*

Mr. Chun Chi Man
*Independent non-executive
Director*

LETTER FROM THE JOINT INDEPENDENT FINANCIAL ADVISERS

*The following is the full text of a letter of advice from Emperor Corporate Finance Limited and Diligent Capital Limited, the Joint Independent Financial Advisers (the “**Joint Independent Financial Advisers**”), setting out the advice to the Independent Board Committee and the Independent Shareholders in respect of the Offers, which has been prepared for the purpose of inclusion in this Composite Document.*



30 May 2025

*To the Independent Board Committee and the Independent Shareholders
of Tokyo Chuo Auction Holdings Limited*

Dear Sirs/Madams,

**MANDATORY UNCONDITIONAL CASH OFFERS BY
LEGO SECURITIES LIMITED AND
FORTUNE ORIGIN SECURITIES LIMITED
FOR AND ON BEHALF OF
ESSA FINANCIAL GROUP LTD
TO ACQUIRE ALL THE ISSUED SHARES IN
TOKYO CHUO AUCTION HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED
OR TO BE ACQUIRED BY
ESSA FINANCIAL GROUP LTD, THE OTHER PURCHASERS
AND PARTIES ACTING IN CONCERT WITH ANY OF THEM) AND
TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF
TOKYO CHUO AUCTION HOLDINGS LIMITED**

INTRODUCTION

We refer to our appointment as the Joint Independent Financial Advisers to the Independent Board Committee in relation to the Offers, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the Composite Document dated 30 May 2025 issued by the Company, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Composite Document unless the context requires otherwise.

The Company was informed by the Vendor and the Offeror that on 25 April 2025, the Vendor, the Offeror and the Other Purchasers entered into the Sale and Purchase Agreement pursuant to which the Vendor has agreed to sell, and the Offeror and the Other

LETTER FROM THE JOINT INDEPENDENT FINANCIAL ADVISERS

Purchasers have agreed to purchase, an aggregate of 374,967,278 Sale Shares, representing approximately 74.99% of the total issued share capital of the Company as at the Latest Practicable Date. The total consideration for the Sale Shares is HK\$164,985,602.32, which is equivalent to HK\$0.44 per Sale Share. Completion took place on 25 April 2025.

As at the Latest Practicable Date, the Company has 500,000,000 Shares in issue and 48,000,000 outstanding Share Options which entitle the holders thereof to subscribe for 48,000,000 new Shares at an exercise price of HK\$0.80 per Share. Save for the Shares and 48,000,000 outstanding Share Options, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the Latest Practicable Date.

Pursuant to Rules 13 and 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make a mandatory unconditional cash offers for all the issued Shares (other than those already owned or to be acquired by the Offeror, the Other Purchasers and the parties acting in concert with any of them) and to cancel all the outstanding Share Options.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors who have no direct or indirect interest in the Offers, namely Mr. Chung Kwok Mo John, Ms. Lam Suk Ling Shirley and Mr. Chun Chi Man, has been established in accordance with Rule 2.1 and Rule 2.8 of the Takeovers Code to advise and give a recommendation to the Independent Shareholders as to whether the terms of the Offers are fair and reasonable and as to the acceptance of the Offers.

We, the Joint Independent Financial Advisers, have been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee in this respect and our opinion herein is solely for the assistance of the Independent Board Committee in connection with its consideration of the Offers pursuant to Rule 2.1 of the Takeovers Code. The appointment of the Joint Independent Financial Advisers as the independent financial advisers has been approved by the Independent Board Committee. Our role as the Joint Independent Financial Advisers is to give our recommendation to the Independent Board Committee as to (i) whether the Offers are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) whether the Offers should be accepted.

OUR INDEPENDENCE

As at the Latest Practicable Date, we were independent from and not connected to the Company or the Offeror, their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them and, accordingly, are considered eligible to give independent advice on the Offers to the Independent Board Committee and the Independent Shareholders.

During the past two years immediately preceding and up to the date of our appointment as the Joint Independent Financial Advisers, save for this appointment as the Joint Independent Financial Advisers in respect of the Offers, there were no other engagements between Joint Independent Financial Advisers and (i) the Group; (ii) the

LETTER FROM THE JOINT INDEPENDENT FINANCIAL ADVISERS

controlling shareholders of the Company; (iii) the Offeror; or (iv) the controlling shareholders of the Offeror, and their respective concert parties. During the past two years immediately preceding and up to the date of our appointment as the Joint Independent Financial Advisers, we have no significant connection, financial, business or otherwise with (i) the Group; (ii) the controlling shareholders of the Company; (iii) the Offeror; or (iv) the controlling shareholders of the Offeror, and their respective concert parties.

As at the Latest Practicable Date, Joint Independent Financial Advisers do not have any interests in the shares, options, warrants or other equity related interests in (i) the Group; (ii) the controlling shareholders of the Company; (iii) the Offeror; or (iv) the controlling shareholders of the Offeror, and their respective concert parties.

Apart from the normal advisory fee payable to us in connection with our appointment as the Joint Independent Financial Advisers to advise the Independent Board Committee, no arrangement exists whereby we shall receive any other fees or benefits from the Offeror and the Company or any of their respective substantial shareholders or any person acting, or deemed to be acting, in concert with any of them. Accordingly, we are considered eligible to give independent advice on the Offers.

BASIS AND ASSUMPTIONS OF OUR ADVICE

In formulating our advice, we have relied on the statements, information, opinions and representations contained or referred to in the Composite Document and the information and representations provided to us by the Group, the Directors and/or senior management of the Company (the “**Management**”). We have assumed that all information, representations and opinions contained or referred to in the Composite Document or made, given or provided to us by the Company, the Directors and the Management, for which they are solely and wholly responsible, were true and accurate and complete in all material respects at the time when they were made and continue to be so as at the Latest Practicable Date. We have assumed that all the opinions and representations made by the Directors in the Composite Document have been reasonably made after due and careful enquiry. The Directors and the Management confirmed that to their knowledge after making reasonable enquires, no material facts have been omitted from the information provided and referred to in the Composite Document. In addition, pursuant to the Listing Rules, we have taken reasonable steps to enable ourselves to reach an informed view so as to provide a reasonable basis for our opinion, which included, among others, review of (i) the Joint Announcement; (ii) the Composite Document; (iii) the annual reports of the Group for the years ended 31 March 2023 (the “**2023 Annual Report**”) and 31 March 2024 (the “**2024 Annual Report**”), the interim reports of the Group for the six months ended 30 September 2023 (the “**2023 Interim Report**”) and 30 September 2024 (the “**2024 Interim Report**”); (iv) the unaudited management account of the Group for the year ended 31 March 2025; and (v) other information obtained from the public domain.

We have not, however, carried out any independent verification of the information provided, nor have we conducted any independent investigation into the financial position, business and affairs of the Group, and, where applicable, their respective shareholder(s) and

LETTER FROM THE JOINT INDEPENDENT FINANCIAL ADVISERS

subsidiaries or affiliates, and their respective history, experience and track records, or the prospects of the markets in which they respectively operate. We consider that we have been provided with sufficient information to enable us to reach an informed view and to provide a reasonable basis for our advice. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions and representations provided to us by the Group, the Directors and/or the Management and their respective advisers or to believe that material information has been withheld or omitted from the information provided to us or referred to in the aforesaid documents. The Shareholders will be notified of any material changes to such information and representations as well as the content of this letter including but not limited to our opinions, advice and recommendations as soon as possible in accordance with Rule 9.1 of the Takeovers Code.

In relation to the Offers, we have not considered the tax implications on the Independent Shareholders of the acceptance or non-acceptance of the Offers since these depend on their individual circumstances. In particular, the Independent Shareholders who are overseas residents or subject to overseas taxation or Hong Kong taxation on securities dealings should consider their own tax position and, if in any doubt, should consult their own professional advisers.

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

PRINCIPAL TERMS OF THE OFFERS

As stated in the “Letter from Lego Securities and Fortune Origin Securities”, Lego Securities and Fortune Origin Securities are, for and on behalf of the Offeror, jointly making the Offers to acquire all the Offer Shares (other than those already owned or to be acquired by the Offeror, the Other Purchasers and the parties acting in concert with any of them) and to cancel all the outstanding Share Options in compliance with the Takeovers Code and on the terms set out in the Composite Document on the following basis:

The Share Offer

For each Offer ShareHK\$0.44 in cash

The Share Offer Price of HK\$0.44 per Offer Share is equal to the price per Sale Share paid by the Offeror and the Other Purchasers under the Sale and Purchase Agreement.

The Option Offer

For cancellation of each Share Option with
exercise price of HK\$0.80 per ShareHK\$0.0001 in cash

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee in relation to the Offers, we have considered the principal factors and reasons as set out below:

1. Background and Financial Information of the Group

1.1 Principal business

The Company is a limited liability company incorporated in Hong Kong and its shares are listed on the Main Board of the Stock Exchange (stock code: 1939). The Group is principally engaged in the provision of auction and related services as well as artwork sales in Hong Kong and Japan.

The Group specialises in auctioneering various artworks emphasising Chinese and Japanese artworks, including Chinese paintings and calligraphies, Chinese antiques, and Japanese and Chinese teawares.

1.2 Historical financial information

(i) Summarised consolidated income statements of the Group

Set out below is a summary of the audited consolidated financial results of the Group for the two years ended 31 March 2023 and 31 March 2024 (“FY2023” and “FY2024”, respectively) as extracted from the 2024 Annual Report, and the unaudited consolidated financial results of the Group for the six months ended 30 September 2023 and 30 September 2024 (“6M2023” and “6M2024”, respectively) as extracted from the 2024 Interim Report.

	6M2024	6M2023	FY2024	FY2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(audited)	(audited)
Revenue Breakdown				
— Operation of art auction and related business	29,447	31,495	48,671	59,838
— Artwork sales	2,444	699	9,181	12,924
Total Revenue	31,891	32,194	57,852	72,762
Gross Profit/(loss)	26,953	29,501	46,779	53,321
Profit/(loss) for the year/ period	(1,104)	1,689	(26,926)	(8,282)
Profit/(loss) attributable to:				
— Owners of the Company	(1,149)	1,599	(26,890)	(8,286)
— Non-controlling interests	45	90	(36)	4

FY2023 vs FY2024

According to the 2024 Annual Report, the Group recorded a total revenue of approximately HK\$57.9 million for the FY2024, representing a decrease of approximately 20.5% from approximately HK\$72.8 million for the FY2023. Within this total, revenue from art auctions and related businesses amounted to approximately HK\$48.7 million (FY 2023: approximately HK\$59.8 million), while revenue from artwork sales amounted to approximately HK\$9.2 million (FY2023: approximately HK\$12.9 million). Such a decline in revenue from art auctions and related businesses was mainly due to the prevailing uncertainties in the global economy and the financial markets, where these factors have affected the demand, and overall conditions of the market for Chinese and Japanese artworks, in particular, the development of the art auction market broadly.

The Group recorded a total gross profit of approximately HK\$46.8 million for the FY2024, representing a decrease of approximately 12.2% compared to approximately HK\$53.3 million in the FY2023. The gross profit margin for the FY2024 was approximately 80.8%, representing an increase from the gross profit margin of approximately 73.2% in FY2023. This improvement in the gross profit margin was mainly due to increased profit margins from revenue generated by the art auction-related business and artwork sales.

The Group recorded a loss of approximately HK\$26.9 million for the FY2024, an increase of approximately HK\$18.6 million compared to the loss of approximately HK\$8.3 million for the FY2023. This increase in loss was mainly due to (i) a decrease in revenue from art auction and related business, (ii) an increase in impairment loss on financial assets of approximately HK\$4.4 million, and (iii) the recognition of equity-settled share-based payment for the FY2024.

6M2023 and the 6M2024

According to the 2024 Interim Report, the Group recorded total revenue of approximately HK\$31.9 million in the 6M2024, representing a decrease of approximately 0.9% from approximately HK\$32.2 million in the 6M2023. This decline was mainly attributable to a reduction in revenue from art auctions and related businesses. The Group's overall gross profit was approximately HK\$27.0 million, representing a decrease of approximately 8.6% from approximately HK\$29.5 million in the FY2023. The gross profit margin for the 6M2024 was approximately 84.5%, compared to a gross profit margin of approximately 91.6% in the 6M2023.

LETTER FROM THE JOINT INDEPENDENT FINANCIAL ADVISERS

The Group recorded a loss of approximately HK\$1.1 million for the 6M2024, compared to a profit attributable to the owners of the Company of approximately HK\$1.7 million for the 6M2023. This loss is primarily due to recognition of equity-settled share based payment of approximately HK\$2.7 million for the 6M2024.

(ii) *Summarised Consolidated Statements of the Financial Position of the Group*

Set out below is the summary of the audited consolidated assets and liabilities of the Group as at 31 March 2024 and 30 September 2024 as extracted from the 2024 Interim Report.

	As at 30 September 2024	As at 31 March 2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)
Non-current assets	25,369	28,498
Current Assets	406,897	368,139
Total Assets	432,266	396,637
Non-current liabilities	33,210	36,674
Current liabilities	156,453	121,017
Total liabilities	189,663	157,691
Net assets	242,603	238,946
Equity attributable to:		
— Owners of the Company	239,100	235,636
— Non-controlling interests	3,503	3,310

According to the 2024 Interim Report, the Group's net assets attributable to owners of the Company were approximately HK\$239.1 million as at 30 September 2024.

As at 30 September 2024, the total assets of the Group amounted to approximately HK\$432.3 million, which mainly comprised of (i) property, plant and equipment of approximately HK\$7.5 million; (ii) right-of-use assets of approximately HK\$8.1 million; (iii) inventories of approximately HK\$133.8 million as at 30 September 2024; (iv) trade and other receivables of approximately HK\$189.4 million as at 30 September 2024; (v) deposits and prepayments of approximately HK\$23.2 million; and (vi) cash and cash equivalents of approximately HK\$55.6 million.

As at 30 September 2024, the total liabilities of the Group amounted to approximately HK\$189.7 million, which mainly comprised of (i) other payables of approximately HK\$1.2 million; (ii) lease liabilities of approximately HK\$8.7 million; (iii) borrowings of approximately HK\$40.7 million; (iv) deferred income tax liabilities of approximately HK\$2.1 million; (v) current income tax liabilities of approximately HK\$0.9 million; and (vi) trade and other payables and accruals of approximately HK\$136.0 million.

2. Future prospects and outlook of the Group

According to the 2024 Interim Report, the Group aims to diversify its business by entering the fields of contemporary artworks and jewelry, and to further expand its presence in the Taiwan markets. In the future, the Group seeks to maintain stable growth and development while consistently adhering to its principle of sourcing excellent artworks with strong provenance to explore and acquire more valuable pieces for art enthusiasts in the artwork auction market.

Additionally, to enhance its coverage of Asian artworks in key regions, the Company has started planning a joint consignment tour with industry peers based in Taiwan. The Group will continually expand the categories of auction lots to meet the diversified preferences of collectors. At the same time, the Group's management will explore opportunities to collaborate with other auction companies to accelerate business development. However, as at the Latest Practicable Date, the Group has no concrete plans regarding these initiatives.

Based on the abovementioned Group's initiatives, we have conducted desktop research to gain insights into the auction industry. Our findings indicates that the growth and profitability of the art auction industry in Hong Kong and Japan are primarily influenced by two critical factors: (i) the popularity and demand within the global art auction market, particularly in Hong Kong and Japan; and (ii) the overall condition of the global economy and financial markets.

According to the Art Market Report 2025, published by Art Basel and UBS¹, the global art auction market has experienced a downturn. Between 2019 and 2024, public auction sales declined from 25.0 billion to 19.0 billion, reflecting a compound annual growth rate (“CAGR”) of negative 5.3%. This segment saw significant volatility, including a sharp 27.6% drop in 2020 due to pandemic disruptions, followed by a strong 49.7% rebound in 2021. Sales plateaued in 2022 before declining again by 7.0% in 2023 and plummeting 24.6% in 2024. In contrast, private auction sales demonstrated consistent growth, rising from 2.5 billion in 2019 to 4.4 billion in 2024 at a 12.0% CAGR, despite a temporary 9.5% dip in 2022. Total global art sales in 2024 decreased by 12% to an estimated \$57.5 billion, marking the second consecutive year of slowing sales. The contraction was exacerbated by the dramatic 24.6% annual decline in public auctions, while private sales remained resilient with 12.8% growth in 2024.

¹ The Art Basel & UBS. Art Market Report 2025. Available at: <<https://theartmarket.artbasel.com/download/The-Art-Basel-and-UBS-Art-Market-Report-2025.pdf>>

LETTER FROM THE JOINT INDEPENDENT FINANCIAL ADVISERS

According to the same report, in times of market volatility or uncertainty, when the overall environment is perceived as less favorable, private sales channels tend to outperform public auctions. During these periods, sellers often prefer private transactions as they provide greater control and flexibility over pricing and timing. Additionally, private sales allow sellers to keep the details of the transaction and the level of buyer demand out of the public domain.

According to the 2024 Annual Report, for the year ended 31 March 2024, the Group reported total annual revenue of HK\$57.9 million. Art auction and related business was the primary driver, generating HK\$48.7 million and 84.1% of the total revenue. Artwork sales generated HK\$9.2 million revenue, making up only 15.9% of the total revenue. On the other hand, according to the 2024 Interim Report, for the 6M 2024, the Group generated total revenue of HK\$31.9 million, with art auction and related business activities accounting for a substantial 92.2% of HK\$29.4 million. Revenue from artwork sales was only HK\$0.2 million, representing 0.6% of the total revenue. Given that the Group's business remains heavily concentrated in the auction-related segment, which accounts for the vast majority of its total revenue, the decline in public auctions and growth in private sales do not appear to favor the Group's performance. Hence, the sustainability and profitability of the Group remain uncertain.

Geographically, China (including Mainland China and Hong Kong) fell to third place in terms of leading art market worldwide, with a 15% share of global sales by value, representing a 4% year-on-year decline. Against a backdrop of slower economic growth, a continuing property market slump, and other economic uncertainties, sales in the Chinese art market experienced a sharp 31% drop to \$8.4 billion in 2024, the lowest level since 2009. Similarly, auction sales at Christie's, Sotheby's, and Phillips in Hong Kong declined by 30% over the same period.

In contrast, the Japanese art market has exhibited a more positive trajectory. According to the Art Market Report 2025, the Japanese art market experienced a 2% year-on-year growth in 2024. However, this market remains uncertain, as it faces headwinds from rising trade tensions and economic slowdowns.

Following the escalation of tariffs and countermeasures between trade partners, the International Monetary Fund's World Economic Outlook report for April 2025² has downgraded its projections for global real GDP growth. The forecast has been revised downward from 3.3% in January 2025 to 2.8% in the April 2025 report. Notably, China's projected growth rate has been reduced by 0.6% from 4.6% to 4.0%, while Japan's projected growth rate has been lowered by 0.5%, decreasing from 1.1% to 0.6% over the same period.

The above findings indicate that the significant impact on the global economy and financial markets may adversely affect the markets for Chinese and Japanese artworks. This situation could lead to unpredictability in market demand, valuation, and overall

² International Monetary Fund. World Economic Outlook April 2025. Available at: <<https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025>>

conditions, and may also influence the development of the art auction industry. After carefully considering these factors, we agree with the Company's assessment that the global economic recovery remains uncertain.

Regarding the qualifications of the new management, we have reviewed the biographical information of Mr. Huang. For more details, please refer to the section headed "Background and intention of the Offeror" in the "Letter from Lego Securities and Fortune Origin Securities". Notwithstanding that Mr. Huang's background and experience may not directly correlate with the Company's principal business, the Offeror intends to provide values to the Group by leveraging Mr. Huang's personal background, management experience, extensive network and business connections in the PRC.

3. Background and intention of the Offeror

3.1 Background of the Offeror, Mr. Huang and the Other Purchasers

(i) The Offeror and Mr. Huang

The Offeror is a company incorporated in the British Virgin Islands with limited liability and is an investment holding company. As at the Latest Practicable Date, the Offeror is ultimately wholly and beneficially owned by Mr. Huang, who is the sole director of the Offeror.

Mr. Huang, aged 44, holds an Executive Master of Business Administration degree from Tsinghua University and a Master of Business Administration degree from The Chinese University of Hong Kong, which he obtained through a joint programme offered by both universities. Mr. Huang is the chairman of 深圳金雅福控股集團有限公司 (Shenzhen Kinghood Holding Group Company Limited*) ("**Shenzhen Kinghood**"), which is primarily a company principally engaged in the gold and jewellery industry chain. In 2024, Shenzhen Kinghood was ranked 295th on the Fortune China 500 list. Mr. Huang directly holds approximately 57.06% equity interest in Shenzhen Kinghood and has an indirect interest of approximately 40.87% through a company that is 95% owned by him. Mr. Huang is also a member of the 12th and 13th Guangdong Provincial Committee of the Chinese People's Political Consultative Conference, the vice chairman of the Shenzhen Federation of Industry and Commerce, and the chairman of the Shenzhen Federation of New Social Class People* (深圳市新的社會階層人士聯合會).

(ii) The Other Purchasers

Ruihe Data is a company incorporated in the Cayman Islands with limited liability, with its issued shares listed on the Main Board of the Stock Exchange (stock code: 3680). Ruihe Data and its subsidiaries are principally engaged in provision of data solutions, sales of hardware and software and related services as an integrated service, information technology maintenance

and support services and trading of commodities. Based on the public information available, no shareholders of Ruihe Data hold 30% or more of its voting rights of Ruihe Data.

Mr. Li, aged 58, graduated with a Master of Business Administration degree from The University of Sunderland by way of distance learning. Mr. Li holds the qualification of senior engineer specialising in architectural decoration design approved by Beijing Senior Specialized Technique Qualification Evaluation Committee. Mr. Li is now the owner of JKL Investment, s.r.o., a company incorporated in Czech Republic which is principally engaged in investment holdings.

Mr. Zheng, aged 36, graduated with a bachelor's degree in information and computing science from Dalian Ocean University in 2013. Mr. Zheng worked in China Merchants Bank from July 2013 to June 2023 with the last position as the president of Renmin Road Sub-branch, Zhuhai Branch of China Merchants Bank. Mr. Zheng is one of the founding partners of 沁灣(深圳)私募股權基金管理合夥企業(有限合夥) (Qinwan (Shenzhen) Private Equity Fund Management Partnership (Limited Partnership)*) ("Qinwan"), which is principally engaged in private equity fund management. He has been a compliance and risk control officer of Qinwan since June 2023.

3.2 Shares owned by the Offeror, the Other Purchasers and the parties acting in concert with any of them

Immediately prior to Completion, save for 374,967,278 Sale Shares held by the Vendor, none of the Offeror, the Other Purchasers and the parties acting in concert with any of them held, owned, controlled or had the right of direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Upon Completion and as at the Latest Practicable Date, the Offeror, the Other Purchasers and the parties acting in concert with any of them are interested in a total of 374,967,278 Shares, representing approximately 74.99% of the total issued share capital of the Company.

Save for the aforementioned, the Offeror, the Other Purchasers and the parties acting in concert with any of them do not have any other interests in the share capital or voting rights of the Company.

3.3 Intention of the Offeror on the Company

As stated in the section headed "INTENTION OF THE OFFEROR ON THE COMPANY" in the "Letter from Lego Securities and Fortune Origin Securities", Upon Completion, the Offeror has become the controlling Shareholder (as defined under the Listing Rules). The Offeror has no intention to discontinue the employment of the employees or to dispose of (other than the change in proposed change of the Board composition as detailed below) or

re-deploy the assets of the Group other than those in its ordinary course of business. The Offeror also intends to continue the existing principal business of the Group immediately following Completion.

Nevertheless, the Offeror will conduct a detailed review on the existing principal businesses and operations, and the financial position of the Group for the purpose of formulating business plans and strategies for the Group's long-term business development and will explore other business opportunities for the Group. Subject to the results of the review, and should suitable investment or business opportunities arise, the Offeror may consider whether any assets and/or business acquisitions or disposals by the Group will be appropriate in order to enhance its growth. As at the date of the Latest Practicable Date, no investment or business opportunity has been identified nor have the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group.

The Board is aware of the Offeror's intention in relation to the Group and is willing to render co-operation with the Offeror and will continue to act in the best interests of the Group and the Shareholders as a whole.

3.4 Proposed change of Board composition

As at the Latest Practicable Date, the Board comprised of four executive Directors, namely Mr. Ando Shokei, Mrs. Ando Eri, Mr. Katsu Bunkai and Mr. Sun Hongyue, and three independent non-executive Directors, namely Mr. Chung Kwok Mo John, Ms. Lam Suk Ling Shirley and Mr. Chun Chi Man.

As disclosed in the section headed "PROPOSED CHANGE OF BOARD COMPOSITION" in the "Letter from Lego Securities and Fortune Origin Securities", it was intended that all of the executive Directors and independent non-executive Directors would resign with effect from the earliest time permitted under the Takeovers Code. The Offeror intends to nominate new Directors for appointment to the Board with effect from the earliest time permitted under the Takeovers Code and any such appointment will be made in compliance with the Takeovers Code and the Listing Rules.

As at the Latest Practicable Date, the Offeror has nominated Mr. Huang as an executive Director and chairman of the Board, and Mr. Huang Shifeng ("**Mr. Huang SF**"), Ms. Qian Yuanyuan ("**Ms. Qian**") and Mr. Tong Jun ("**Mr. Tong**") as executive Directors, Mr. Li and Mr. Zheng as non-executive Directors, and Professor He Jia ("**Professor He**"), Professor Hu Zuohao ("**Professor Hu**") and Mr. Leung Ting Yuk ("**Mr. Leung**") as independent non-executive Directors. The appointment of the Directors will take effect after the posting of the Composite Document. The change of the chairman of the Board will take effect from the Closing Date.

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The biographical information of Mr. Huang, Mr. Li and Mr. Zheng are set out in the paragraph headed “INFORMATION ON THE OFFEROR, MR. HUANG AND THE OTHER PURCHASERS” above in this letter, and the biographical information of remaining six nominated Directors (being Mr. Huang SF, Ms. Qian, Mr. Tong, Professor He, Professor Hu and Mr. Leung) as extracted from the “Letter from Lego Securities and Fortune Origin Securities”, are set out below:

Mr. Huang Shifeng

Mr. Huang SF, aged 42, graduated with a bachelor’s degree in optical information and science technology from the South China Normal University, the PRC in July 2007. Mr. Huang SF has ample experience in the field of gold and jewellery science and technology and technology research and development innovation. Mr. Huang SF has been the executive president and head of the innovation centre of Shenzhen Kinghood since January 2009 and the general manager of Shenzhen Shangshan Intelligent Company Limited* (深圳上善智能有限公司) since May 2020.

Mr. Huang SF is the brother of Mr. Huang, being the nominated executive Director and chairman of the Board.

Ms. Qian Yuanyuan

Ms. Qian, aged 41, obtained a doctor of philosophy in management from Zhejiang University, the PRC in June 2010. From July 2010 to June 2016, Ms. Qian worked at Shenzhen Gold Investment Co., Ltd. Ms. Qian joined Shenzhen Kinghood in May 2018 and had been the general manager of training from May 2018 to December 2020, the assistant to the president of the gold and jewelry banking channel from December 2020 to March 2025 and the vice president since April 2025.

Mr. Tong Jun

Mr. Tong, aged 60, obtained a master of business administration from The Chinese University of Hong Kong in December 2009. From March 2012 to September 2016, Mr. Tong was the general manager of Shenzhen Kinghood and since May 2020, Mr. Tong has been the executive vice president of Shenzhen Kinghood. From December 2016 to November 2018, Mr. Tong was the associate vice president and director of senior management training of the Shenzhen Finance Institute, Chinese University of Hong Kong-Shenzhen. He was also the deputy general manager of the financial and securities department of Shenzhen Neptunus Group Co., Ltd. from July 2002 to February 2012.

Professor He Jia

Professor He, aged 70, studied as a worker-peasant-soldier student in the mathematics department of Heilongjiang University, the PRC from October 1975 to July 1978, graduated with a master's degree in computer science and decision-making from Shanghai Jiao Tong University, the PRC in December 1983 and obtained a doctor of philosophy in finance from The Wharton School of the University of Pennsylvania, the United States of America in August 1988. Professor He has more than 35 years of experience in academia in higher education institutes in the PRC and the United States of America. Since October 2021, Professor He has been the chair professor at Shandong University, and from May 2021 to July 2024, Professor He was the Qiushi chair professor of the International Business School of Zhejiang University. Since February 2022, Professor He has been the chairman of the internet investment and financing working committee of the Internet Society of China* (中國互聯網協會互聯網投融資工作委員會). Professor He has also been the independent director of CGS International Holdings Limited since 2011.

Professor He has been appointed as (i) an independent non-executive director of China Chengtong Development Group Limited (Stock Code: 217) since September 2015, a company listed on the Main Board of the Stock Exchange; (ii) an independent director of Tibet Huayu Mining Co., Ltd. (Stock Code: 601020) since December 2024, a company listed on the Shanghai Stock Exchange; and (iii) an independent non-executive director of Bank of Tianjin Co., Ltd. (Stock Code: 1578) from June 2018 to January 2025, a company listed on the Main Board of the Stock Exchange.

Professor Hu Zuohao

Professor Hu, aged 60, graduated with a bachelor's degree in solid mechanics from Huazhong Institute of Technology* (華中工學院), the PRC (presently known as Huazhong University of Science and Technology) in July 1985. He then obtained a master's degree in industrial management engineering from Zhejiang University, the PRC in July 1988 and a doctor of philosophy in economics from Kyoto University, Japan, in January 2000. Professor Hu has been a professor of the School of Economics and Management at Tsinghua University since December 2007, an associate professor of the School of Economics and Management at Tsinghua University from August 2001 to November 2007, a lecturer at the School of Economics and Management at Tsinghua University from August 2000 to August 2001 and a lecturer at the School of Management at Zhejiang University from August 1988 to October 1995. Professor Hu is also currently the vice chairman and the enterprise working committee director of the Chinese Marketing Association of Universities and the executive deputy director of the China Enterprise Research Centre* (中國企業研究中心) of the School of Economics and Management at Tsinghua University.

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Professor Hu has been the independent director of each of (i) Qingdao Richen Food Co. Ltd. (Stock Code: 603755) since May 2022, a company listed on the Shanghai Stock Exchange; (ii) Beijing Tri-Prime Gene Pharmaceutical Co., Ltd. (Stock Code: 837344) since November 2024, a company listed on the Beijing Stock Exchange; and (iii) Ocean's King Lighting Science & Technology Co., Ltd. (Stock Code: 002724) since June 2020, a company listed on the Shenzhen Stock Exchange.

Mr. Leung Ting Yuk

Mr. Leung, aged 50, graduated with a bachelor of commerce in accountancy from the University of Wollongong, Australia, in July 2000. Mr. Leung has been accredited as a Certified Practising Accountant of CPA Australia in November 2006 and as a Certified Public Accountant of The Hong Kong Institute of Certified Public Accountants in January 2008. Mr. Leung has more than 19 years of experience in the financial management, accounting and auditing field.

Mr. Leung has been appointed as an independent non-executive director of Yanchang Petroleum International Limited (Stock Code: 346) since December 2009, an independent non-executive director of Most Kwai Chung Limited (Stock Code: 1716) since March 2018, an independent non-executive director of Xinyi Energy Holdings Limited (Stock Code: 3868) since November 2018 and an independent non-executive director of Tai United Holdings Limited (Stock Code: 718) since July 2023, each being companies listed on the Main Board of the Stock Exchange.

The Company will enter into a service contract with each of Mr. Huang, Mr. Huang SF, Ms. Qian and Mr. Tong, respectively, with a term of one year from the date of appointment which shall be renewed automatically for successive terms of one year unless terminated by either party with one month's written notice. Each of Mr. Huang, Mr. Huang SF, Ms. Qian and Mr. Tong shall be subject to retirement by rotation and re-election at the annual general meeting in accordance with the articles of association of the Company. Pursuant to the service contract to be entered into, each of Mr. Huang, Mr. Huang SF, Ms. Qian and Mr. Tong is entitled to a Director's fee in the amount as set out below. The Director's fee for Mr. Huang, Mr. Huang SF, Ms. Qian and Mr. Tong will be reviewed annually by the Board with reference to his/her duties and responsibilities with the Group and the Group's remuneration policy.

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During their terms of service, save for the Director's fee no remuneration shall be paid by the Company to each of Mr. Huang, Mr. Huang SF, Ms. Qian and Mr. Tong for his/her service as a Director, and no other welfare or bonus shall be paid.

Nominated Director	Director's fee per annum
Mr. Huang	HK\$480,000
Mr. Huang SF	HK\$360,000
Ms. Qian	HK\$240,000
Mr. Tong	HK\$240,000

The Company will enter into a letter of appointment with each of Mr. Li, Mr. Zheng, Professor He, Professor Hu and Mr. Leung, respectively, with a term of one year from the date of appointment which shall be renewed automatically for successive terms of one year unless terminated by either party with one month's written notice. Each of Mr. Li, Mr. Zheng, Professor He, Professor Hu and Mr. Leung shall be subject to retirement by rotation and re-election at the annual general meeting in accordance with the articles of association of the Company. Pursuant to the letter of appointment to be entered into, each of Mr. Li, Mr. Zheng, Professor He, Professor Hu and Mr. Leung is entitled to a Director's fee in the amount as set out below. The Director's fee for Mr. Li, Mr. Zheng, Professor He, Professor Hu and Mr. Leung will be reviewed annually by the Board with reference to his duties and responsibilities with the Group and the Group's remuneration policy. During their terms of service, save for the Director's fee no remuneration shall be paid by the Company to each of Mr. Li, Mr. Zheng, Professor He, Professor Hu and Mr. Leung for his service as a Director, and no other welfare or bonus shall be paid.

Nominated Director	Director's fee per annum
Mr. Li	HK\$60,000
Mr. Zheng	HK\$60,000
Professor He	HK\$120,000
Professor Hu	HK\$120,000
Mr. Leung	HK\$120,000

Each of Mr. Huang, Mr. Huang SF, Ms. Qian, Mr. Tong, Mr. Li, Mr. Zheng, Professor He, Professor Hu and Mr. Leung has confirmed that, save as disclosed in the Composite Document, as at the Latest Practicable Date, he/she did not (i) hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) have any relationship with any director, senior management or substantial or controlling shareholders of the Company; (iii) hold any position in the Company

or other members of the Group; and (iv) have nor deemed to have any interest in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

Save as disclosed in the Composite Document, there is no other information relating to the appointment of Mr. Huang, Mr. Huang SF, Ms. Qian, Mr. Tong, Mr. Li, Mr. Zheng, Professor He, Professor Hu and Mr. Leung that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules, and further announcements will be made by the Company as and when appropriate.

4. Evaluation of the Share Offer Price and the Option Offer Price

4.1 Comparison of the Share Offer Price against historical Share prices

The Share Offer Price of HK\$0.44 per Offer Share represents:

- (i) a discount of approximately 63.33% to the closing price of HK\$1.20 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 70.67% to the closing price of HK\$1.50 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 34.91% to the average of the closing prices as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.676 per Share;
- (iv) a discount of approximately 8.52% to the average of the closing prices as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.481 per Share;
- (v) a discount of approximately 7.95% to the audited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.478 per Share (based on the total number of the issued Shares as at the Latest Practicable Date) as at 31 March 2024, being the date to which the latest published audited annual financial results of the Group were made up; and
- (vi) a discount of approximately 9.28% to the unaudited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.485 per Share (based on the total number of the issued Shares as

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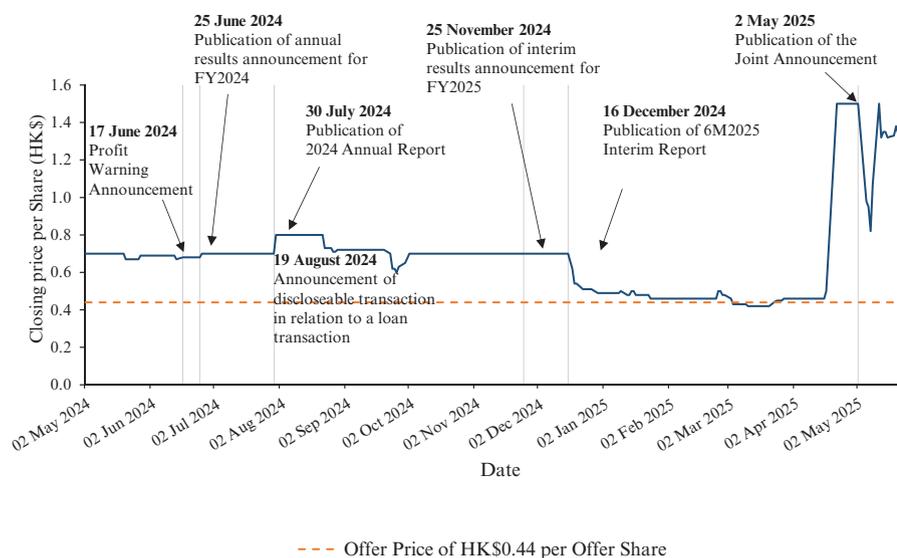
at the Latest Practicable Date) as at 30 September 2024, being the date to which the latest published unaudited interim financial results of the Group were made up.

To assess the fairness and reasonableness of the Share Offer Price, we have analysed the Share Offer Price with reference to (i) the historical price performance of the Shares; (ii) the historical trading liquidity of the Shares; and (iii) the comparison with market comparables.

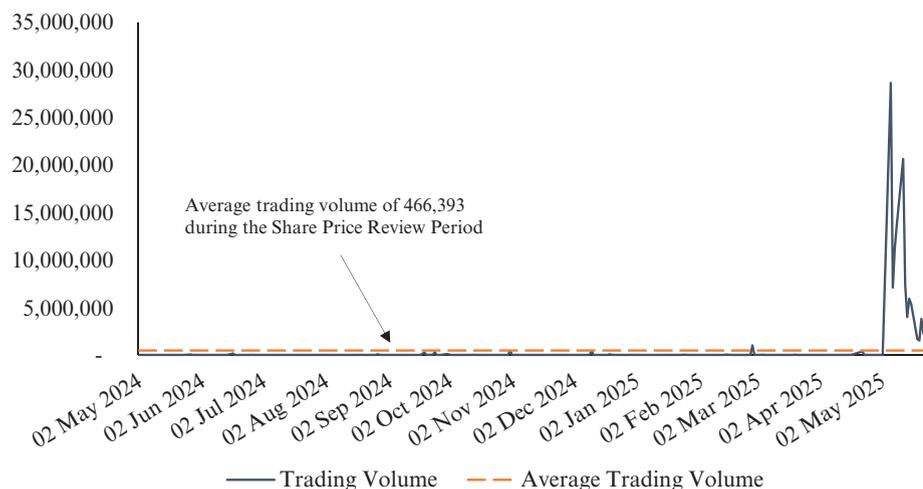
4.2 Our analysis of historical Share price performance

To assess the fairness and reasonableness of the Share Offer Price, we have reviewed the movements in the closing price per Share from 2 May 2024, the 12 months immediately preceding the Last Trading Day, up to the Latest Practicable Date (the “Share Price Review Period”). This 12-month period is commonly adopted for share price analysis and is sufficient to illustrate recent price movements, accounting for seasonal factors that may affect the Shares. This approach allows for a reasonable comparison between the Share Offer Price and the closing price of the Shares, which helps to assess the reasonableness and fairness of the Share Offer Price.

Historical Share price performance



Historical trading volume



During the period from 2 May 2024 to 1 May 2025, being 12 months immediately preceding the Last Trading Day (the “**Pre-Announcement Period**”), the closing price of the Shares were traded at a price ranging from HK\$0.42 (the “**Lowest Share Price**”) to HK\$1.5 (the “**Highest Share Price**”). During the Pre-Announcement Period, the Highest Share Price represented a premium of approximately 3.4 times over the Share Offer Price, while the Lowest Share Price represented a discount of approximately 4.5% against the Share Offer Price. The average closing price per Share for the Pre-Announcement Period was approximately HK\$0.65, representing a premium of approximately 1.48 times over the Share Offer Price; in other terms the Share Offer Price is at approximately 32.3% discount to the average closing price per Share for the Pre-Announcement Period.

We noted that the Shares had been traded (i) above the Offer Price per Share for 231 days during the Share Price Review Period, representing approximately 94.3% of the total trading days during the Share Price Review Period, representing 100% of the total trading days since the publication of the Joint Announcement up to and including the Latest Practicable Date (“**Post-Announcement Period**”); (ii) below the Offer Price per Share for 14 days during the Share Price Review Period, representing approximately 5.7% of the total trading days during the Share Price Review Period and 0 day during the Post-Announcement Period, representing nil of the total trading days during the Post-Announcement Period; (iii) at the Offer Price per Share for 0 days during the Share Price Review Period and 0 day during the Post-Announcement Period.

To provide a more detail evaluation, we have further divided the Share Price Review Period with notable movements in closing price into three segments: (i) from 2 May 2024 to 16 December 2024; (ii) from 17 December 2024 to 17 April 2025; and (iii) from 22 April 2025 to the Latest Practicable Date.

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From 2 May 2024 to 16 December 2024

The closing price of the Shares remained relatively stable, fluctuating between HK\$0.6 and HK\$0.8 from 2 May 2024 to 16 December 2024, with no significant variations. Based on our observation, we did not identify any public announcements from the Company that could explain the changes in the closing price of the Shares. After discussing with the Management, it was confirmed that they were not aware of any events or factors that could account for this price movement.

From 17 December 2024 to 17 April 2025

Following the publication of the 2024 Interim Report on 16 December 2024, there was a notable decline in the closing price of the Shares, falling from HK\$0.7 on 16 December 2024 to HK\$0.49 on 9 January 2025. According to the 2024 Interim Report, the Company recorded a loss attributable to owners of the Company of approximately HK\$1.1 million for the 6M2024, compared to a profit attributable to the owners of the Company of approximately HK\$1.6 million for the 6M2023. We assess that this published financial information has contributed to concerns among investors regarding the Company's future outlook, which may be reflected in the downward trend of the daily closing price of the Shares.

From 10 January 2025 to 17 April 2025, the closing price of the Shares has fluctuated near the Share Offer Price, ranging from HK\$0.42 to HK\$0.50.

From 22 April 2025 to the Latest Practicable Date

The trading of the Shares was halted on 23 April 2025 (the “**Trading Halt**”) due to the pending release of the Joint Announcement. It is noted that on 22 April 2025, the date before the Trading Halt, the closing price per Share increased from HK\$0.5 on 17 April 2025 to HK\$1.50. Following the publication of the Joint Announcement and up to the Latest Practicable Date, excluding the period when the trading of Shares was suspended, the closing price of the Shares fluctuated between HK\$0.82 and HK\$1.5.

Upon our enquiry, the Directors confirmed that, save for the publication of the Joint Announcement, they were not aware of any significant occurrences that might have influenced the Share price before and after its release. The Independent Shareholders should note that there is no guarantee that such notable price movements may or may not occur during and/or after the Offer Period.

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Despite the Share Offer Price representing a discount of approximately 36.3% to the average closing price of approximately HK\$0.691 per Share during the Share Price Review Period, after careful consideration, we are of the view that the Share Offer Price is fair and reasonable after considering the following factors:

- (i) Although the Share Offer price has been substantially below the range of closing prices per Share for a significant majority of the Share Price Review Period, the Share Offer Price falls within the range of closing prices per Share during the Share Price Review Period;
- (ii) The Share Offer Price falls below the mean of approximately of HK\$0.691 and median of approximately HK\$0.7 yet the historical trading volume was extremely low during the Share Price Review Period;
- (iii) Excluding the temporary price increase observed on the Last Trading Day which is considered an outlier due to its extraordinarily high level, the average closing price quoted on the Stock Exchange for the 30 consecutive trading days leading up to and including the day before the Last Trading Day (i.e. from 6 March 2025 to 17 April 2025) was approximately HK\$0.44 per Share. The Company has advised that it is not aware of any reason for the surge in share price on the Last Trading Day. Disregarding this isolated and unexplained price spike, the average closing price of HK\$0.44 per Share aligns with the Share Offer Price; and
- (iv) Despite the price of the Shares closed above the Share Offer Price from 2 May 2025 which is believed to be due to the Joint Announcement, it is uncertain if the Share closing price can be maintained at a level higher than the Share Offer Price after the close of the Offers, taking into account that the Group was loss-making for FY2024 due to a revenue drop and the challenging operating environment as advised by the Company.

Independent Shareholders should note that the information set out above is not an indicator of the future performance of the Shares and that the price of the Shares may increase or decrease from its closing price after the Latest Practicable Date.

4.3 Our analysis on historical trading volume and liquidity

We have conducted a comprehensive analysis of the historical trading volume of the Shares during the Share Price Review Period. The table below provides key metrics, including the total volume of the Shares traded, number of trading days, average daily trading volume of the Shares and the percentages of average daily trading volume of the Shares as compared to the total number of issued Shares and the Shares to the public float of the Company during the Share Price Review Period.

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Period/month	Total volume of the Shares traded <i>(Shares)</i>	Number of trading days <i>(days)</i>	Average daily trading volume <i>(Shares)</i> <i>(Note 1)</i>	% of average daily trading volume over total number of issued Shares % <i>(Note 2)</i>	% of the monthly total trading volume of the Shares to public float of the Company % <i>(Note 3)</i>
2024					
May (from 2 May 2025)	74,000	21	3,524	0.001%	0.003%
June	154,000	19	8,105	0.002%	0.006%
July	2,000	22	91	0.000%	0.000%
August	110,000	22	5,000	0.001%	0.004%
September	692,000	19	36,421	0.007%	0.029%
October	416,000	21	19,810	0.004%	0.016%
November	0	21	0	0.000%	0.000%
December	484,000	20	24,200	0.005%	0.019%
2025					
January	34,000	19	1,789	0.000%	0.001%
February	1,048,000	20	52,400	0.010%	0.042%
March	70,000	21	3,333	0.001%	0.003%
April	380,000	19	20,000	0.004%	0.016%
May (up to and including the Latest Practicable Date)	118,264,682	17	6,956,746	1.390%	5.564%

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

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. The calculation is based on the average daily trading volume of the Shares divided by the total number of Shares in issue at the end of each month/period.
3. The calculation is based on the average daily trading volume of the Shares divided by the total number of Shares in issue held by public Shareholders at the Latest Practicable Date.

As set out in the table above, during the Share Price Review Period excluding May, the average daily trading volume of the Shares varied from a low of zero (in November 2024) to a high of approximately 0.01% relative to the total number of issued Shares at the end of the respective month/period. Starting from the beginning of May up to and including the Last Practicable Date, the average trading volume of the Shares spiked to 1.39% relative to the total number of issued Shares. However, the data in May is excluded as it is likely a temporary and unsustainable market reaction to the Offers.

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When focusing solely on the Shares held by public Shareholders (the “**Free Float Shares**”), the average daily trading volume of the Shares during the Share Price Review Period, excluding May, ranged from a low of zero to a high of approximately 0.042% relative to the total number of Free Float Shares. Starting from the beginning of May up to and including the Last Practicable Date, the average trading volume of the Shares spiked to 5.564% relative to the total number of Free Float Shares. However, the data in May is excluded as it is likely a temporary and unsustainable market reaction to the Offers.

Considering the above findings, we are of the view that the trading volume of Shares is extremely low. This raises concerns about whether there would be sufficient liquidity in the Shares for the Independent Shareholders to sell a large volume of the Shares in the open market without negatively impacting the Share price.

Due to the generally low historical trading volume of the Shares during the Share Price Review Period, the Independent Shareholders, particularly those with significant holdings, may find it challenging to sell a large number of Shares in the open market at a fixed cash price within a short period. This could lead to downward pressure on the Shares price. Therefore, the Offers allow the Independent Shareholders, particularly those holding substantial holdings, to sell at least part of their Shares at the Share Offer Price if they choose to do so.

4.4 Our analysis of market comparable

To assess the fairness and reasonableness of the Share Offer Price, we conducted an assessment to identify comparable companies listed on the Stock Exchange that meet the following criteria: (i) currently listed on the Stock Exchange; and (ii) primarily engaged in the auction business in Japan, contributing over 50% of their revenue coming from this segment in the latest financial year. These selection criteria were established after considering that the Group generates over 65% of its revenue from auction and private sales in Japan during FY2024.

Despite an exhaustive search, we were unable to identify any comparable companies that meet these criteria that are listed on the Stock Exchange. Furthermore, the Company has confirmed that it is not aware of any business primarily engaged in art auctions and related businesses in Japan that are listed on the Stock Exchange.

As such, we have extended our scope of criterion (i) to include companies listed on the Tokyo Stock Exchange, we have identified an exhaustive list of two comparable companies (“**Comparable Companies**”). Shareholders should note that companies primarily engaged in the art auction business but listed on different stock exchanges or operating in regions outside Japan or Hong Kong may not be suitable for direct comparison. Variations in the investor base, the maturity of regional stock markets, and the economic structure or stage of development of the country or region where the exchanges are located can lead to significant

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differences in valuations and ratings within the same industry. Additionally, we excluded art auction companies primarily operating in other regions, as their operating conditions differ markedly from those in Japan and Hong Kong, particularly in terms of rental costs, wage levels, and overall cost structures, further complicating meaningful comparisons.

For comparison purpose, we have considered the price-to-earnings ratio (the “**P/E Ratio**”), the price-to-sale ratio (the “**P/S Ratio**”) and the price-to-book ratio (the “**P/B Ratio**”), which are commonly used valuation benchmarks in assessing a company’s valuation. However, as the Company and all the Comparable Companies recorded loss for their latest financial year ends, P/E Ratio was not available. Given that the Group principally engages in auctioneering, a business model that is not asset-based, the P/B Ratio may not provide a meaningful basis for comparison and has therefore not been adopted in our analysis.

Details of the Comparable Companies are set out below:

Name	Stock Code	Principal Activities	Market	Market	Latest audited financial year end	Revenue (JPY million)	P/S Ratio (Note 3)
			capitalisation as at the Latest Practicable Date (JPY billion) (Note 1)	capitalisation as at the Latest Practicable Date (HKD million) (Note 2)			
New Art Holdings Co., Ltd. (株式会社NEW ART HOLDINGS)	7638.TYO	manufacture and sale of bridal jewelry, operates aesthetic salons, plans art auctions, and sells artworks, cosmetics, health food, and sporting goods in Japan.	24.98	1,361.6	31 March 2024	21,100	1.18
Shinwa Wise Holdings Co., Ltd. (株式会社Shinwa Wise Holdings)	2437.TYO	operates auctions for art and other assets, sells electricity, and engages in real estate, microfinance, and medical and cultural support businesses in Japan.	3.77	205.4	31 May 2024	2,036	1.85
		Maximum	24.98	1,361.63			1.85
		Minimum	3.77	205.38			1.18
		Mean	14.38	783.5			1.52
						Revenue (HKD million)	
The Company	1939.HK	provision of auction and related services as well as artwork sales in Hong Kong and Japan		220.0 (Note 4)		57.9	3.80 (Note 5)

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Notes:

1. The market capitalisation of the Comparable Companies is calculated based on the closing price of the shares and the total issued shares of the Comparable Companies as at the Latest Practicable Date.
2. The market capitalisation of the Comparable Companies in Hong Kong Dollar is calculated at the exchange rate of 100JPY: 5.45HKD.
3. The P/S Ratio of the Comparable Companies is calculated by dividing the respective market capitalisation as at the Latest Practicable Date by their revenue as extracted from the respective latest annual report.
4. The market capitalisation of the Company implied by the Offer Price is calculated based on (i) the Offer Price of HK\$0.44 per Offer Share; and (ii) 500,000,000 Shares in issue as at the Latest Practicable Date.
5. It is calculated based on (i) the Offer Price of HK\$0.44 per Offer Share; (ii) 500,000,000 Shares in issue as at the Latest Practicable Date; and (iii) the revenue of the Group for FY24.

The Offer Price implies a P/S ratio of approximately 3.8x, which exceeds that of the Comparable Companies. This indicates that the valuation of the Company based on the Offer Price offered by the Offeror to the Independent Shareholders is higher than the P/S ratio of the Comparable Companies derived from their respective closing prices per share on the Latest Practicable Date. In light of the above, we are of the view that the Offer Price is indicated to be attractive in terms of valuation in comparison with the Comparable Companies.

However, this comparable analysis may have limitations due to the small sample size and differences in business nature, geographical focus, operational scale, growth prospects, and capital structure between the Group and the Comparable Companies. Therefore, this analysis serves only as a reference to provide insight into market perceptions of broadly similar businesses and should not be considered a definitive valuation indicator.

Considering the historically low trading volume of the Shares during the Share Price Review Period, Independent Shareholders, particularly those with significant shareholdings, should be aware that selling a large volume of Shares on the open market at a fixed cash price within a short timeframe may be challenging without causing downward pressure on the Share price. Therefore, they are advised to closely monitor the trading price and liquidity of the Shares during the Offer Period, take into account the potential impact on the Share price when selling in bulk, and consider the Offers as a viable alternative to exit their investments in the Shares.

4.5 Principal terms of the Option Offer

As at the Latest Practicable Date, the Company has 48,000,000 outstanding Share Options which entitle the holders thereof to subscribe for 48,000,000 new Shares at an exercise price of HK\$0.80 per Share.

In accordance with the terms of the Share Option Scheme, the Optionholders are entitled to exercise their Options in full (to the extent not already exercised) at any time after the date on which the Option Offer is declared unconditional and up to the close of the Option Offer (or any revised offer), after which the Options will lapse automatically (to the extent not exercised).

Pursuant to Rule 13 of the Takeovers Code, the Offeror will make an appropriate cash offer to the Optionholders to cancel their Share Options. The consideration for the cancellation of each Share Option would normally be the see-through price which represents the excess of the Share Offer Price per Offer Share and the exercise price of each Share Option. Under the Option Offer, as the exercise price of all outstanding Share Options exceeds the Share Offer Price, the “see-through” price is negative and the Option Offer Price is at the nominal amount of HK\$0.0001 per Share Option.

Given that the “see-through” value of the outstanding Options is zero, we consider that the Option Offer Price of HK\$0.01 per Share Option is fair and reasonable so far as the Optionholders are concerned.

RECOMMENDATIONS

Based on our analyses above, having considered the following:

- (i) the worsening financial performance of the Group as indicated by the revenue decrease for FY2024 compared with FY2023, and the loss for the year recorded for FY2024 compared with the profit for FY2023;
- (ii) the Share Offer Price falls within the range of closing prices per Share during the Share Price Review Period;
- (iii) the Share Offer Price falls below the mean of approximately of HK\$0.652 and median of approximately HK\$0.7 yet the historical trading volume was extremely low during the Share Price Review Period except for the period after the publication of the Joint Announcement;
- (iv) excluding any temporary price increase observed on the Last Trading Day compared to the preceding day, the average closing price quoted on the Stock Exchange for the 30 consecutive trading days leading up to and including the day before the Last Trading Day (i.e. from 6 March 2025 to 17 April 2025) was approximately HK\$0.44 per Share. This amount aligns with the Share Offer Price;
- (v) despite the closing price of the Shares were above the offer price for majority of the trading days during the Share Price Review Period, it is uncertain if the Share closing price can be maintained at a level higher than the Share Offer Price after

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the close of the Offers, taking into account that the Group was loss-making for FY2024 due to a revenue drop and the challenging operating environment as advised by the Company;

- (vi) due to the thin historical trading volume during the Share Price Review Period except for the period after the publication of the Joint Announcement, the closing price of the Shares, despite being most of the time higher than the Offer Price, may not be representative of the value of the Group. The recent increase in Share price and trading liquidity might be a temporary and unsustainable market reaction to the Offers. Independent Shareholders may not be able to realize their investment at the current Share price, and the available liquidity may not be sufficient;
- (vii) given the inactive trading of the Shares during the Post-Announcement Period, it is uncertain whether the Independent Shareholders will encounter difficulties in selling a significant number of the Shares in the open market in one batch and at a price higher than the Share Offer Price after the close of the Offers without negatively impacting the trading price of the Shares. The Share Offer represents an assured opportunity for Independent Shareholders to realise their investment in the Shares in one batch at a fixed price should they wish so;
- (viii) serving as a reference to provide insight into market perceptions of broadly similar businesses, our analysis on the Comparable Companies display that the Offer Price implies a P/S ratio of approximately 3.8x, which exceeds that of the Comparable Companies;
- (ix) the Option Offer Price of HK\$0.0001 is higher than the “see-through” value of the outstanding Share Options (i.e. zero) and the options will lapse at the close the offers; and
- (x) while the art auction market in Japan, which accounts for approximately 60% of the Group’s revenue, experienced growth in 2024, as advised by the Directors, and we concur, the operating environment for the Group continues to present challenges. The Group also derives around 40% of its revenue from the Hong Kong market, which, along with the mainland China market, has experienced a downturn in the global art auction industry. The unpredictability in market demand, fluctuations in valuation, and global economic challenges further impact the broader development of the art auction industry,

we are of the view that the Offers are fair and reasonable so far as the Independent Shareholders and Optionholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders and Optionholders to accept the Share Offer and Option Offer respectively

Nonetheless, we would like to remind the Independent Shareholders who would like to realise part or all of their investments in the Shares to closely monitor the market price and liquidity of the Shares during the Offer Period and may, instead of accepting the Offers, consider selling their Shares in the open market should such sale proceeds, net of all transaction costs, exceed the amount receivable under the Offers.

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Independent Shareholders who, after reading through the Composite Document and this letter, wish to retain some or all of their investments in the securities of the Company, are reminded to monitor the development of the Group, in particular the Offeror's business strategy, and any announcements of the Company during and after the Offer Period.

Yours faithfully,
For and on behalf of
Emperor Corporate Finance Limited

Mark Chan
Managing Director

Yours faithfully,
For and on behalf of
Diligent Capital Limited

Huen Felix Ting Cheung
Director

Mr. Mark Chan is a licensed person and has been a responsible officer of Emperor Corporate Finance Limited registered with the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO since 2018 and 2016 respectively and has over 10 years of experience in corporate finance.

Mr. Huen Felix Ting Cheung is a licensed person and has been a responsible officer of Diligent Capital Limited registered with the SFC to carry out Type 6 (advising on corporate finance) regulated activities under the SFO since 2022 respectively and has over 10 years of experience in corporate finance.

1. PROCEDURES FOR ACCEPTANCE OF THE SHARE OFFER

- (a) To accept the Share Offer, you should complete and sign the accompanying **WHITE** Form of Share Offer Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Share Offer.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Share Offer in respect of your Shares (whether in full or in part), you must send the **WHITE** Form of Share Offer Acceptance duly completed and signed together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Shares in respect of which you intend to accept the Share Offer, by post or by hand, to the Registrar, Tricor Investor Services Limited, at 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong, marked “**Tokyo Chuo Auction Holdings Limited — Share Offer**” on the envelope as soon as possible but in any event so as to reach the Registrar by not later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code.
- (c) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Share Offer in respect of your Shares (whether in full or in part), you must either:
 - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares with the nominee company, or other nominee, and with instructions authorising it to accept the Share Offer on your behalf and requesting it to deliver the **WHITE** Form of Share Offer Acceptance duly completed and signed together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Registrar; or
 - (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver the **WHITE** Form of Share Offer Acceptance duly completed and signed together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Registrar; or

- (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Share Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
- (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (d) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Share Offer in respect of your Shares, the **WHITE** Form of Share Offer Acceptance should nevertheless be completed and delivered to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares or that it is/they are not readily available. If you find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares should be forwarded to the Registrar as soon as possible thereafter. If you have lost the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares, you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given should be provided to the Registrar.
- (e) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Share Offer in respect of your Shares, you should nevertheless complete and sign the **WHITE** Form of Share Offer Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will constitute an irrevocable authority to the Offeror and/or Lego Securities and/or Fortune Origin Securities and/or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar on your behalf and

to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Share Offer, as if it/they were delivered to the Registrar with the **WHITE** Form of Share Offer Acceptance.

- (f) Acceptance of the Share Offer will be treated as valid only if the completed and signed **WHITE** Form of Share Offer Acceptance is received by the Registrar by not later than 4:00 p.m. on the Closing Date (or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code) and the Registrar has recorded that the acceptance and any relevant documents required by Note 1 to Rule 30.2 of the Takeovers Code have been so received, and is:
- (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares and, if that/those share certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other documents (e.g., a duly stamped transfer of the relevant Share(s) in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or
 - (ii) from a registered Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another sub-paragraph of this paragraph (f)); or
 - (iii) certified by the Registrar or the Stock Exchange.
- (g) If the **WHITE** Form of Share Offer Acceptance is executed by a person other than the registered Shareholders, appropriate documentary evidence of authority to the satisfaction of the Registrar must be produced.
- (h) Seller's ad valorem stamp duty (rounded up to the nearest HK\$1) payable by the Shareholders who accept the Share Offer and calculated at a rate of 0.10% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is the higher, will be deducted from the amount payable by the Offeror to the relevant Shareholders on the acceptance of the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Shareholders who accept the Share Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

- (i) No acknowledgement of receipt of any **WHITE** Form of Share Offer Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares will be given.

2. GENERAL PROCEDURES FOR ACCEPTANCE OF THE OPTION OFFER

- (a) To accept the Option Offer, you should complete and sign the accompanying **PINK** Form of the Option Offer Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Option Offer.
- (b) The duly completed and signed **PINK** Form of the Option Offer Acceptance should be forwarded, together with the relevant certificate(s) of the Share Options (and/or satisfactory indemnity or indemnities required in respect thereof) (if applicable) you intend to tender, stating the number of Share Options in respect of which you intend to accept the Option Offer, by post or by hand, in an envelope marked "**Tokyo Chuo Auction Holdings Limited — Option Offer**" to the Company at Room 2601, 26/F Wing On Centre No. 111 Connaught Road Central Hong Kong as soon as possible and in any event so as to reach the Company by not later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce, with the consent of the Executive, in accordance with the Takeovers Code.
- (c) If the certificate(s) in respect of your Share Options (if applicable) is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Option Offer, the **PINK** Form of the Option Offer Acceptance should nevertheless be completed, signed and delivered to the Company together with a letter stating that you have lost one or more of your Share Option certificate(s) (if applicable) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Company as soon as possible thereafter. If you have lost your Share Option certificate(s) (if applicable), you should also write to the Company requesting a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Company.
- (d) No stamp duty will be deducted from the amount paid or payable to Optionholders who accept the Option Offer.
- (e) No acknowledgment of receipt of any **PINK** Form(s) of the Option Offer Acceptance and/or certificate(s) of the Share Options (if applicable) will be given.

In making their decision, the Optionholders must rely on their own examination of the Group and the terms of the Option Offer, respectively, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form(s) of Acceptance, shall not be construed as any legal or business advice on the part of any of the Offeror, the Company, Lego Securities, Fortune Origin Securities, Lego Corporate Finance, Emperor Corporate

Finance, Diligent Capital, Registrar and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents, advisers or associates or any other person involved in the Offers. Optionholders should consult their own professional advisers for professional advice.

3. ACCEPTANCE PERIOD AND REVISIONS

- (a) Unless the Offers have previously been revised or extended, with the consent of the Executive, in accordance with the Takeovers Code, the Forms of Acceptance must be received by the Registrar (in respect of the Share Offer) or the Company (in respect of the Option Offer) by 4:00 p.m. on the Closing Date in accordance with the instructions printed on the relevant Form of Acceptance, and the Offers will be closed on the Closing Date. The Offers are unconditional.
- (b) The Offeror and the Company will jointly issue an announcement in accordance with the Takeovers Code through the websites of the Stock Exchange and the Company no later than 7:00 p.m. on the Closing Date stating whether the Offers have been extended, revised or has expired.
- (c) In the event that the Offeror decides to extend the Offers, at least fourteen (14) days' notice by way of announcement will be given, before the latest time and date for acceptance of the Offers, to those Independent Shareholders or Optionholders who have not accepted the Offers.
- (d) If the Offeror revises the terms of the Offers, all Independent Shareholders and Optionholders, whether or not they have already accepted the Offers will be entitled to the revised terms. The revised Offers must be kept open for at least fourteen (14) days following the date on which the revised offer document is posted.
- (e) If the Closing Date of the Offers is extended, any reference in this Composite Document and in the Forms of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the Closing Date of the Offers so extended.

4. ANNOUNCEMENT

- (a) As required under Rule 19 of the Takeovers Code, by 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offers. The Offeror must publish an announcement in accordance with the requirements of the Takeovers Code by 7:00 p.m. on the Closing Date stating whether the Offers have been extended, revised or has expired.

Such announcement must state the total number of Shares and rights over Shares:

- (i) for which acceptances of the Offers have been received;
- (ii) held, controlled or directed by the Offeror or parties acting in concert with it before the Offer Period; and
- (iii) acquired or agreed to be acquired by the Offeror or any persons acting in concert with it during the Offer Period.

The announcement must also include details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any persons acting in concert with it has borrowed or lent, save for any borrowed securities which have been either on-lent or sold and the percentages of the relevant classes of share capital of the Company and the percentages of voting rights of the Company represented by these numbers.

- (b) In computing the total number of Shares represented by acceptances, only valid acceptances in complete and good order and which have been received by the Registrar (in respect of the Share Offer) or the Company (in respect of the Option Offer) no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offers, shall be included.
- (c) As required by the Takeovers Code and the Listing Rules, all announcements in relation to the Offers which the Executive and the Stock Exchange have confirmed that they have no further comments thereon must be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chuo-auction.com).

5. NOMINEE REGISTRATION

To ensure equality of treatment to all Independent Shareholders, those registered Shareholders who hold the Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Share Offer.

6. RIGHT OF WITHDRAWAL

- (i) Acceptance of the Offers tendered by the Independent Shareholders and the Optionholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in subparagraph (ii) below.

- (ii) If the Offeror is unable to comply with the requirements set out in the paragraph headed “4. Announcement” in this appendix, the Executive may require, pursuant to Rule 19.2 of the Takeovers Code, that the Independent Shareholders and the Optionholders who have tendered acceptances of the Offers, be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements of Rule 19 of the Takeovers Code are met.

In such case, when the Independent Shareholders and/or Optionholders withdraw their acceptances, the Offeror shall, as soon as possible but in any event within seven (7) Business Days thereof, return by ordinary post the Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Offer Shares and/or Share Options (as the case may be) lodged with the Form(s) of Acceptance to the relevant Independent Shareholders and the Optionholders (as the case may be) at their own risk.

7. SETTLEMENT OF THE OFFERS

Share Offer

Provided that the accompanying **WHITE** Form of the Share Offer Acceptance, together with the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Offer Shares are valid, complete and in good order and have been received by the Registrar no later than 4:00 p.m. on the Closing Date, a cheque for the amount due to each of the accepting Independent Shareholders in respect of the Offer Shares tendered under the Share Offer (less seller’s ad valorem stamp duty payable by him/her/it) will be despatched to such Independent Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event no later than seven (7) Business Days after the date of receipt of all relevant documents to render such acceptance complete and valid by the Registrar in accordance with the Takeovers Code.

Settlement of the consideration to which any accepting Independent Shareholder is entitled under the Share Offer will be paid by the Offeror in full in accordance with the terms of the Share Offer (save in respect of the payment of seller’s ad valorem stamp duty) set out in this Composite Document (including this Appendix) and the accompanying **WHITE** Form of the Share Offer Acceptance, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Independent Shareholder.

No fraction of a cent will be payable and the amount of consideration payable to an Independent Shareholder who accepts the Share Offer will be rounded up to the nearest cent.

Option Offer

Provided that the accompanying **PINK** Form of the Option Offer Acceptance, together with the relevant certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Share Options are valid, complete and in good order and have been received by the Company no later than 4:00 p.m. on the Closing Date, a cheque for the amount due to each of the accepting Optionholders in respect of the Share Options tendered under the Option Offer will be despatched to such Optionholder by ordinary post at his/her/its own risk as soon as possible but in any event no later than seven (7) Business Days after the date of receipt of all relevant documents to render such acceptance complete and valid by the Company in accordance with the Takeovers Code.

Settlement of the consideration to which any accepting Optionholder is entitled under the Option Offer will be paid by the Offeror in full in accordance with the terms of the Option Offer set out in this Composite Document (including this appendix) and the accompanying **PINK** Form of the Option Offer Acceptance, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Optionholder.

No fraction of a cent will be payable and the amount of consideration payable to an Optionholder who accepts the Option Offer will be rounded up to the nearest cent.

8. AVAILABILITY OF THE OFFERS

The availability of the Offers to any Overseas Shareholders and Overseas Optionholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders and Overseas Optionholders should fully observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the sole responsibilities of the Overseas Shareholders and the Overseas Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders and Overseas Optionholders in respect of such jurisdictions).

Any acceptance of the Offers by any Overseas Shareholder and/or Overseas Optionholder will be deemed to constitute a representation and warranty from such Overseas Shareholder and/or Overseas Optionholder to the Offeror that the local laws and requirements have been complied with. Overseas Shareholders and Overseas Optionholders should consult their professional advisers if in doubt.

9. VALIDITY OF THE SHARE OPTIONS UPON CLOSE OF THE OFFERS

By accepting the Option Offer, the Optionholders will agree to the cancellation of their tendered Share Options and all rights attached thereto with effect from the date on which the Option Offer is made, being the date of this Composite Document. In accordance with the Share Option Scheme, the Share Options will lapse automatically (to the extent not exercised) upon the close of the Offers.

10. HONG KONG STAMP DUTY

The seller's Hong Kong ad valorem stamp duty will be payable by the Independent Shareholders on acceptances of the Share Offer calculated at a rate of 0.10% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror, in respect of the relevant acceptances of the Share Offer, whichever is higher, and the amount of such duty will be deducted from the amount payable by the Offeror to such person on acceptance of the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Independent Shareholders who accept the Share Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfers of the relevant Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

No stamp duty is payable in connection with the acceptances of the Option Offer.

11. GENERAL

- (a) All communications, notices, Forms of Acceptance, certificates, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offers to be delivered by or sent to or from the Independent Shareholders and the Optionholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk. None of the Offeror, the Company, Lego Securities, Fortune Origin Securities, Lego Corporate Finance, Emperor Corporate Finance, Diligent Capital, Registrar and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents, advisers or associates or any other person involved in the Offers will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof or in connection therewith.
- (b) Acceptance of the Share Offer by any Independent Shareholders will constitute a warranty by such person to the Offeror, Lego Securities and Fortune Origin Securities that all Offer Shares to be sold by such person under the Share Offer are fully paid and free from all encumbrances whatsoever together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date of this Composite Document.

- (c) Acceptance of the Share Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror, Lego Securities and Fortune Origin Securities that the number of Offer Shares in respect of which it has indicated in the **WHITE** Form of the Share Offer Acceptance is the aggregate number of Shares held by such nominee for such beneficial owners who accept the Share Offer.
- (d) Acceptance of the Option Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror, Lego Securities and Fortune Origin Securities that the number of Share Options in respect of which it has indicated in the **PINK** Form of the Option Offer Acceptance is the aggregate number of Share Options held by such nominee for such beneficial owners who accept the Option Offer.
- (e) Acceptance of the Offers by any person will be deemed to constitute a warranty by such person that such person is permitted under all applicable laws and regulations to receive and accept the Offers, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. Any such person will be responsible for any such issue, transfer and other applicable taxes or other governmental payments payable/due by such persons.
- (f) All acceptances, instructions, authorities and undertakings given by the Independent Shareholders and the Optionholders in the Forms of Acceptance shall be irrevocable, except as permitted under the Takeovers Code.
- (g) The provisions set out in the accompanying Forms of Acceptance form part of the terms of the Offers.
- (h) The accidental omission to despatch this Composite Document and/or the accompanying Forms of Acceptance or either of them to any person to whom the Offers are made shall not invalidate the Offers in any way.
- (i) The Offers are, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.
- (j) Due execution of the Forms of Acceptance will constitute an irrevocable authority to the Offeror and/or Lego Securities and/or Fortune Origin Securities and/or such person or persons as any of them may direct to complete, amend and execute any document on behalf of the person accepting the Offers, and to do any other act that may be necessary or expedient for the purpose of vesting in the Offeror, or such person or persons as it may direct, the Offer Shares and Share Options in respect of which such person has accepted the Offers.
- (k) The Offers are made in accordance with the Takeovers Code.

- (l) In making their decision, the Independent Shareholders and Optionholders must rely on their own examination of the Offeror, the Group and the terms of the Offers, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the accompanying Forms of Acceptance shall not be construed as any legal or business advice on the part of any of the Offeror, the Company, Lego Securities, Fortune Origin Securities, Lego Corporate Finance, Emperor Corporate Finance, Diligent Capital, Registrar and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents, advisers or associates or any other person involved in the Offers. The Independent Shareholders and the Optionholders should consult their own professional advisers for professional advice.
- (m) This Composite Document has been prepared for the purposes of compliance with the legislative and regulatory requirements applicable in respect of the Offers in Hong Kong and the operating rules of the Stock Exchange.
- (n) References to the Offers in this Composite Document and the Forms of Acceptance shall include any extension and/or revision thereof.
- (o) The English text of this Composite Document and of the accompanying Forms of Acceptance shall prevail over the Chinese text.

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following is a summary of (i) the audited financial results of the Group for each of three years ended 31 March 2024 as extracted from the published annual reports of the Company, respectively; and (ii) the unaudited consolidated interim financial results of the Group for the six months ended 30 September 2023 and 2024 as extracted from the published interim report of the Company for the six months ended 30 September 2024.

Consolidated Statement of Profit or Loss

	Six months ended		Year ended 31 March		
	30 September		2024	2023	2022
	2024	2023	2024	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Revenue	31,891	32,194	57,852	72,762	79,597
Cost of sales	(2,811)	(2,051)	(4,175)	(7,851)	(9,541)
Costs of sales of goods	(2,127)	(642)	(6,898)	(11,590)	(1,087)
Gross profit	26,953	29,501	46,779	53,321	68,969
Other gains or losses, net	(109)	—	7	(1,712)	(3,305)
Other income	484	231	1,380	1,470	1,400
Provision for allowance for expected credit losses on financial assets	—	—	(6,778)	(2,382)	(1,197)
Selling and distribution expenses	(10,297)	(10,910)	(23,803)	(24,937)	(20,363)
Administrative expenses	(17,282)	(16,603)	(43,498)	(34,250)	(36,603)
Operating (loss)/profit	(251)	2,219	(25,913)	(8,490)	8,901
Finance income	219	130	226	176	1,196
Finance costs	(520)	(243)	(1,045)	(1,037)	(1,621)
Finance costs, net	(301)	(113)	(819)	(861)	(425)
Reversal of impairment loss on investment accounted for using the equity method	—	—	—	—	2,846
Share of result on investment accounted for using the equity method	(112)	584	343	872	709
(Loss)/profit before income tax	(664)	2,690	(26,389)	(8,479)	12,031
Income tax (expense)/credit	(440)	(1,001)	(537)	197	(3,393)

	Six months ended		Year ended 31 March		
	30 September		2024	2023	2022
	2024	2023	2024	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
(Loss)/profit for the year/period	(1,104)	1,689	(26,926)	(8,282)	8,638
(Loss)/profit for the year/period attributable to:					
— Owners of the Company	(1,149)	1,599	(26,890)	(8,286)	8,434
— Non-controlling interests	45	90	(36)	4	204
Total comprehensive (loss)/profit for the year/period	982	(4,357)	(33,509)	(15,933)	2,556
Total comprehensive (loss)/profit for the year/period attributable to:					
— Owners of the Company	789	(4,055)	(33,048)	(15,623)	2,699
— Non-controlling interests	193	(302)	(461)	(310)	(143)
(Loss)/earnings per share for profit attributable to owners of the Company					
Basic (HK cents)	(0.23)	0.32	(5.38)	(1.66)	1.69
Diluted (HK cents)	(0.23)	0.32	(5.38)	(1.66)	1.69
Dividend	—	—	—	—	5,000
Dividend per Share (HK cents)	—	—	—	—	1.0

Save for disclosed above, there were no items of income or expenses which are material in respect of the audited consolidated financial statements of the Group for each of the three years ended 31 March 2024, and the unaudited consolidated financial statements of the Group for each of the six months ended 30 September 2023 and 2024.

The auditors of the Company for the three years ended 31 March 2024 were HLB Hodgson Impey Cheng Limited. The auditors' reports issued by HLB Hodgson Impey Cheng Limited in respect of the audited consolidated financial statements of the Group for each of the three years ended 31 March 2024 did not contain any qualified or modified opinion, emphasis of matter or material uncertainty related to going concern.

2. CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The Company is required to set out or refer to in this Composite Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in the audited consolidated financial statements of the Group for each of the years ended 31 March 2022 (the “**2022 Financial Statements**”), 2023 (the “**2023 Financial Statements**”) and 2024 (the “**2024 Financial Statements**”), respectively,

and the unaudited consolidated financial statements of the Group for the six months ended 30 September 2024 (the “**2024 Interim Financial Statements**”), together with the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The 2022 Financial Statements are set out from page 115 to page 247 of the annual report of the Company for the year ended 31 March 2022 (the “**2022 Annual Report**”), which was published on 26 July 2022. The 2022 Annual Report is available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chuo-auction.com), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0726/2022072600001.pdf>

The 2023 Financial Statements are set out from page 118 to page 247 of the annual report of the Company for the year ended 31 March 2023 (the “**2023 Annual Report**”), which was published on 28 July 2023. The 2023 Annual Report is available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chuo-auction.com), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0728/2023072801054.pdf>

The 2024 Financial Statements are set out from page 123 to page 251 of the annual report of the Company for the year ended 31 March 2024 (the “**2024 Annual Report**”), which was published on 30 July 2024. The 2024 Annual Report is available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chuo-auction.com), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0730/2024073000422.pdf>

The 2024 Interim Financial Statements are set out from page 25 to page 56 of the interim report of the Company for the six months ended 30 September 2024 (the “**2024 Interim Report**”), which was published on 16 December 2024. The 2024 Interim Report is available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chuo-auction.com), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1216/2024121601098.pdf>

3. INDEBTEDNESS

At the close of business on 31 March 2025, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this Composite Document, the indebtedness of the Group was as set out below. At the close of business on 31 March 2025, the Group had the following borrowings or indebtedness in the nature of borrowings:

Borrowings

As at 31 March 2025, the Group had total outstanding borrowing of approximately HK\$37.3 million, comprising of (i) unsecured bank borrowings of approximately HK\$5.5 million was guaranteed by Mr. Ando; (ii) secured bank borrowing approximately HK\$6.1 million was secured by a property of Mr. Ando and Mrs. Ando; (iii) unsecured bank borrowings of approximately HK\$15.5 million were received from Japanese bank in which interest were subsidised by Japanese government with lower than market rate; and (iv) unsecured bank borrowings of approximately HK\$10.2 million.

Lease liabilities

As at 31 March 2025, the Group had total lease liabilities of approximately HK\$6.5 million.

Commitments

As at 31 March 2025, the Group had no significant commitments.

Contingent liabilities

As at 31 March 2025, the Group had no material contingent liabilities.

Save as aforesaid, the Group did not, at the close of business on 31 March 2025, have any other material outstanding (i) debt securities, whether issued and outstanding, authorised or otherwise created but unissued, or term loans, whether guaranteed, unguaranteed, secured (whether the security is provided by the Group or by third parties) or unsecured; (ii) other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guaranteed, unguaranteed, secured or unsecured; (iii) mortgages or charges; or (iv) contingent liabilities or guarantees.

4. MATERIAL CHANGE

The Directors confirm that they were not aware of any material changes in the financial or trading position or outlook of the Group subsequent to 31 March 2024, being the date to which the latest audited consolidated financial statements of the Group were made up, and up to and including the Latest Practicable Date.

1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Documents (other than those relating to the Offeror, the Other Purchasers and the parties acting in concert with any of them), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statements in this Composite Document misleading.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was as follows:

Issued and fully paid up:

500,000,000 Shares

All the Shares in issue rank *pari passu* in all respects with each other, including as to the rights in respect of capital, dividends and voting. The Shares are listed on the Main Board of the Stock Exchange and no Shares are listed or dealt in on any other stock exchange and no such listing or permission to deal is being or is proposed to be sought.

No Shares had been issued since 31 March 2024 (being the date to which the latest audited financial statements of the Group were made up) and up to and including the Latest Practicable Date.

As at the Latest Practicable Date, the Company had 48,000,000 outstanding Share Options and the details of those are set out below:

Date of grant ("Date of Grant")	Exercise price per Share Option	Vesting period and exercise period	Outstanding as at Latest Practicable Date
24 April 2023	HK\$0.8	(i) no Share Option shall be vested or exercisable within the first 12-month period from the Date of Grant;	48,000,000

Date of grant ("Date of Grant")	Exercise price per Share Option	Vesting period and exercise period	Outstanding as at Latest Practicable Date
		(ii) 30% of the Share Options granted shall be vested on, and exercisable from, the first anniversary of the Date of Grant (i.e. 24 April 2024);	
		(iii) 30% of the Share Options granted shall be vested on, and exercisable from, the second anniversary of the Date of Grant (i.e. 24 April 2025); and	
		(iv) the remaining 40% of the Share Options granted shall be vested on, and exercisable from, the third anniversary of the Date of Grant (i.e. 24 April 2026).	

Save for the abovementioned Share Options, the Company had no other outstanding shares, options, derivatives, warrants or securities which are convertible or exchangeable into Shares and had not entered into any agreement for the issue of such shares, options, derivatives, warrants or securities of the Company as at the Latest Practicable Date.

3. MARKET PRICES

The table below shows the closing prices of the Shares as quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

Date	Closing price per Share (HK\$)
29 November 2024	0.70
31 December 2024	0.49
31 January 2025	0.46
28 February 2025	0.48
31 March 2025	0.46
22 April 2025 (the Last Trading Day)	1.50
30 April 2025	1.50
27 May 2025 (the Latest Practicable Date)	1.20

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period were HK\$1.50 per Share (on 22 April 2025 and 12 May 2025) and HK\$0.42 per Share (on 11, 12, 13, 14, 17, 18, 19, 20 and 21 March 2025), respectively.

4. DISCLOSURE OF INTERESTS

(a) Interests of the Directors and chief executive

As at the Latest Practicable Date and save as disclosed below, none of the Directors and their respective associates (within the meaning of the Listing Rules) nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under the provisions of the SFO); or (b) pursuant to

section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange; or (d) to be disclosed under the Takeovers Code:

Long positions in the shares and underlying shares

Name of Director	Name of Group member/ associated company	Capacity	Number of shares/underlying shares held (Note 1)	Approximate percentage of issued share capital
Mr. Katsu Bunkai	the Company	Beneficial owner	5,000,000 underlying shares (Note 2)	1%
	Tokyo Chuo Auction Co., Ltd.	Beneficial owner	50 class A shares (Note 3)	5%

Notes:

- All interest stated are long positions.
- These shares represent 5,000,000 outstanding Share Options granted to Mr. Katsu Bunkai on 24 April 2023 with an exercise price of HK\$0.8 per Share.
- These shares represent class A shares in Tokyo Chuo Auction Co., Ltd.* (“TCA Japan”) (株式会社東京中央オークション), a direct non-wholly owned subsidiary of the Company, held by Mr. Katsu Bunkai. Shareholders of class A shares in TCA Japan do not have any voting right at the general meeting of shareholders of TCA Japan.

(b) Substantial shareholders

As at the Latest Practicable Date, the substantial shareholders (not being the Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, were as follows:

Name of substantial shareholder	Capacity	Number of Shares held	Approximate percentage of issued share capital
The Offeror (Note)	Beneficial owner	329,967,278	65.99%

Note: The Offeror is a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Mr. Huang.

Save as disclosed above, as at the Latest Practicable Date, the Directors have not been notified by any person (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

5. INTERESTS IN THE COMPANY AND THE OFFEROR AND ARRANGEMENTS IN CONNECTION WITH THE OFFERS

The Company confirms that:

- (i) save as disclosed in the above section headed “4. DISCLOSURE OF INTERESTS — Interests of the Directors and chief executive” in this appendix, none of the Directors had any interest in the Shares, derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into the Shares as at the Latest Practicable Date, and save for the Sale Shares transferred from the Vendor to the Offeror and the Other Purchasers at HK\$0.44 per Sale Share on 25 April 2025, none of the Directors or companies owned or controlled by them had dealt for value in any Shares, options, derivatives, warrants or other securities convertible into the Shares or other types of equity interest in the Company during the Relevant Period;
- (ii) none of the Company nor any of the Directors was interested in any shares of the Offeror or any convertible securities, warrants, options or derivatives in respect of any shares of the Offeror as at the Latest Practicable Date, and no such person had dealt in the shares of the Offeror or any convertible securities, warrants, options or derivatives in respect of any shares of the Offeror during the Relevant Period;
- (iii) none of the subsidiaries of the Company or pension fund of the Company or of a subsidiary of the Company or a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” or an associate of the Company by virtue of class (2) of the definition of “associate” in the Takeovers Code (but excluding exempt principal traders and exempt fund managers) owned or controlled, or had dealt for value in the Shares or any convertible securities, warrants, options or derivatives in respect of any Shares during the Relevant Period;
- (iv) save for the Non-disposal Undertakings, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares which might be material to the Offers;

- (v) no Shares, convertible securities, warrants, options or derivatives of the Company were managed on a discretionary basis by fund managers (other than exempt fund managers, if any) connected with the Company, and no such person had dealt in the Shares or any convertible securities, warrants, options or derivatives in respect of any Shares during the Relevant Period;
- (vi) Mr. Katsu Bunkai, being the executive Director interested in 5,000,000 Shares Options, has undertaken that he will not exercise any of the Share Options held by him until the Share Options are cancelled or lapsed. Save for the above, none of the Directors held any beneficial shareholdings in the Company which would otherwise entitle them to accept or reject the Offers;
- (vii) none of the Company or the Directors had borrowed or lent any Shares or any convertible securities, warrants, options or derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in respect of any Shares;
- (viii) there was no arrangement in place for any benefit (other than statutory compensation) to be given to any Director as compensation for loss of office or otherwise in connection with the Offers;
- (ix) there was no agreement or arrangement between any Director and any other person which was conditional on or dependent upon the outcome of the Offers or otherwise connected with the Offers;
- (x) save for the Sale and Purchase Agreement, there was no material contracts entered into by the Offeror in which any Director has a material personal interest; and
- (xi) save for the Sale and Purchase Agreement, the Undertakings and the Non-disposal Undertakings, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii) (a) the Offeror, Mr. Huang, the Other Purchasers and any party acting in concert with any of them; or (b) the Company, its subsidiaries or associated companies.

6. ARRANGEMENTS AFFECTING DIRECTORS

As at the Latest Practicable Date:

- (a) no arrangement was in place for any benefit (other than statutory compensation) to be given to any Directors as compensation for loss of office or otherwise in connection with the Offers;
- (b) there was no agreement or arrangement between any Directors and any other person which was conditional on or dependent upon the outcome of the Offers or is otherwise connected with the Offers; and
- (c) there was no material contract entered into by the Offeror and the Other Purchasers in which any Director had a material personal interest.

7. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any service contracts with any members of the Group or the associated companies of the Company in force which:

- (i) (including both continuous and fixed term contracts) had been entered into or amended within six months prior to the commencement of the Offer Period;
- (ii) were continuous contracts with a notice period of 12 months or more; or
- (iii) were fixed term contracts with more than 12 months to run irrespective of the notice period.

8. QUALIFICATIONS AND CONSENTS OF THE EXPERTS

The following are the qualifications of the expert who have given their report, opinion or advice which are contained in this Composite Document:

Name	Qualifications
Emperor Corporate Finance	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Diligent Capital	a licensed corporation under the SFO to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

Emperor Corporate Finance and Diligent Capital have given and have not withdrawn their written consents to the issue of this Composite Document with the inclusion herein of their letter, report and references to their name, in the form and context in which they are included.

9. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the Company and its subsidiaries was engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance was pending or threatened by or against the Company or any members of the Group.

10. MATERIAL CONTRACT

No contracts which are or may be material (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by any member of the Group) have been entered into by the members of the Group after the date two (2) years before the commencement of the Offer Period and up to and including the Latest Practicable Date.

11. MISCELLANEOUS

- (i) The registered address of the Company was Room 2601, 26/F, Wing On Centre, No. 111 Connaught Road Central, Hong Kong.
- (ii) The principal place of business of the Company in Japan was 2/F and 3/F Kyobashi-Square 3-7-5 Kyobashi Chuo-ku Tokyo Japan.
- (iii) The branch share registrar and transfer office of the Company in Hong Kong was Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (iv) The registered office of Emperor Corporate Finance was 23/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong.
- (v) The registered office of Diligent Capital was Room 2203, 22/F., New World Tower 1, 16–18 Queen’s Road Central, Hong Kong.
- (vi) In the event of inconsistency, the English texts of this Composite Document and the accompanying Forms of Acceptance shall prevail over their respective Chinese texts.

12. DOCUMENTS ON DISPLAY

The following documents are available for inspection (i) on the website of the SFC (www.sfc.hk); and (ii) on the website of the Company (www.chuo-auction.com) during the period from the date of this Composite Document up to and including the Closing Date:

- (i) the articles of association of the Company;
- (ii) the 2024 Interim Report, the 2024 Annual Report, the 2023 Annual Report and the 2022 Annual Report;
- (iii) the “Letter from the Board”, the text of which is set out in this Composite Document;
- (iv) the “Letter from the Independent Board Committee”, the text of which is set out in this Composite Document;
- (v) the “Letter from the Joint Independent Financial Advisers”, the text of which is set out in this Composite Document;
- (vi) the consent letters referred to in the section headed “8. QUALIFICATIONS AND CONSENTS OF THE EXPERTS” in this appendix; and
- (vii) this Composite Document and the accompanying Forms of Acceptance.

1. RESPONSIBILITY STATEMENT

The sole director of the Offeror accepts full responsibility for the accuracy of information contained in this Composite Document (other than the information relating to the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this Composite Document (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document the omission of which would make any statement in this Composite Document misleading.

2. DISCLOSURES OF INTERESTS

As at the Latest Practicable Date, the Offeror, the Other Purchasers and the parties acting in concert with any of them were in aggregate interested in a total of 374,967,278 Shares, representing approximately 74.99% of the total issued share capital of the Company.

Save for the aforesaid, as at the Latest Practicable Date, the Offeror, the Other Purchasers and the parties acting in concert with any of them did not hold, own, have control or direction over any voting rights or rights over the Shares, convertible securities, warrants, options of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

3. ADDITIONAL DISCLOSURE OF INTERESTS AND DEALINGS

Save for the Sale Shares, none of the Offeror, Mr. Huang, the Other Purchasers and parties acting in concert with any of them has dealt in nor owned any Share or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period.

The Offeror confirms that, as at the Latest Practicable Date:

- (i) save for the Sale Shares held by the Offeror and the Other Purchasers, none of the Offeror, Mr. Huang, the Other Purchasers and parties acting in concert with any of them holds, owns or has control or direction over any voting rights or rights over any Shares, convertible securities, warrants, options or derivatives of the Company;
- (ii) there is no outstanding derivative in respect of securities in the Company which is owned, controlled or directed by, or has been entered into by the Offeror, Mr. Huang, the Other Purchasers and/or any person acting in concert with any of them;
- (iii) none of the Offeror, Mr. Huang, the Other Purchasers and parties acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;

- (iv) save for the Non-disposal Undertakings, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares which might be material to the Offers;
- (v) there is no agreement or arrangement to which the Offeror, Mr. Huang, the Other Purchasers or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or condition to the Offers;
- (vi) save that pursuant to the terms of the facility extended by Fortune Origin Securities in the amount of up to HK\$56.0 million, so long as any part of the facility or any other amounts payable under the facility remain outstanding, the Offer Shares acquired by the Offeror under the Offers shall be deposited to the margin securities account of the Offeror with Fortune Origin Securities from time to time, there was no agreement, arrangement or understanding existed whereby any securities acquired in pursuance of the Offers or the Sale Shares would be transferred, charged or pledged to any other persons. The Offeror has no intention that the payment of interest on, repayment of or security for any liability (contingent or otherwise) will depend to any significant extent on the business of the Company;
- (vii) save for and except the Sale and Purchase Agreement, there was no agreement, arrangement or understanding (including any compensation arrangement) existed between any of the Offeror and parties acting in concert with it and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or was dependent upon the Offers;
- (viii) none of the Offeror, Mr. Huang, the Other Purchasers and parties acting in concert with it has received any irrevocable commitment(s) to accept or reject the Offers;
- (ix) save for the Sale and Purchase Agreement, there is no understanding, agreement, arrangement or special deal between the Vendor and parties acting in concert with him on one hand and the Offeror, Mr. Huang, the Other Purchasers and parties acting in concert with any of them on the other hand; and
- (x) save for the total consideration for the Sale Shares of HK\$164,985,602.32, there is no other consideration, compensation or benefit in whatever form paid or payable by the Offeror, Mr. Huang, the Other Purchasers and parties acting in concert with any of them to the Vendor and parties acting in concert with him.

The Offeror confirms that, as at the Latest Practicable Date, save for the Sale and Purchase Agreement, the Undertakings and the Non-disposal Undertakings, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii) (a) the Offeror, Mr. Huang, the Other Purchasers and any party acting in concert with any of them; or (b) the Company, its subsidiaries or associated companies.

4. MARKET PRICES

The table below shows the closing prices of the Shares as quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

Date	Closing price per Share (HK\$)
29 November 2024	0.70
31 December 2024	0.49
31 January 2025	0.46
28 February 2025	0.48
31 March 2025	0.46
22 April 2025 (the Last Trading Day)	1.50
30 April 2025	1.50
27 May 2025 (the Latest Practicable Date)	1.20

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period were HK\$1.50 per Share (on 22 April 2025 and 12 May 2025) and HK\$0.42 per Share (on 11, 12, 13, 14, 17, 18, 19, 20 and 21 March 2025), respectively.

5. QUALIFICATIONS AND CONSENTS OF THE EXPERTS

The following are the qualifications of the experts who have given opinions or advice which are contained or referred to in this Composite Document:

Name	Qualifications
Lego Securities	a corporation licensed by the SFC to conduct Type 1 (dealing in securities) regulated activity under the SFO
Fortune Origin Securities	a corporation licensed by the SFC to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO

Each of the experts above has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of the text of its letter or report or advice and/or references to its name in the form and context in which they respectively appear.

6. MISCELLANEOUS

- (i) The Offeror is incorporated in the British Virgin Islands with limited liability, and is an investment holding company ultimately wholly and beneficially owned by Mr. Huang. The sole director of the Offeror is Mr. Huang.

- (ii) The registered address of the Offeror is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.
- (iii) The registered office of Lego Securities is situated at Room 1506, 15/F, Wheelock House, 20 Pedder Street, Central, Hong Kong.
- (iv) The registered office of Fortune Origin Securities is situated at 404–405, 4/F, Nan Fung Tower, 88 Connaught Road Central, Central, Hong Kong.
- (v) In the event of inconsistency, the English texts of this Composite Document and the accompanying Forms of Acceptance shall prevail over their respective Chinese texts.

7. DOCUMENTS ON DISPLAY

The following documents are available for inspection (i) on the website of the SFC (www.sfc.hk); and (ii) on the website of the Company (www.chuo-auction.com) during the period from the date of the Composite Document up to and including the Closing Date:

- (i) the memorandum and articles of association of the Offeror;
- (ii) the “Letter from Lego Securities and Fortune Origin Securities”, the text of which is set out in this Composite Documents;
- (iii) the consent letters referred to in the section headed “5. QUALIFICATIONS AND CONSENTS OF EXPERTS” in this appendix;
- (iv) this Composite Document and the accompanying Forms of Acceptance; and
- (v) the facility agreement dated 25 April 2025 entered into by the Offeror as the borrower and Fortune Origin Securities as lender in respect of a facility in the amount of up to HK\$56.0 million.