THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **Well Link Securities Holdings Limited** (the "**Company**"), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

Well Link Securities Holdings Limited
立橋證券控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8350)

(1) MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE PROPOSED ACQUISITION OF THE TARGET COMPANY AND (2) NOTICE OF EGM

Independent Financial Adviser
to the Independent Board Committee and Independent Shareholders

AKRON
Akron Corporate Finance Limited
亚贝隆资本有限公司

Capitalised terms used in the lower portion of the cover and first page of this circular shall have the same respective meanings as those defined in the section headed "Definitions" of this circular.

A notice convening the EGM to be held at Units 13–15, 11/F China Merchants Tower Shun Tak Center, 168–200 Connaught Road Central, Hong Kong on Friday, 18 July 2025 at 10:30 a.m. is set out in this circular. Whether or not you are able to attend the EGM, please complete and sign the enclosed form of proxy for use at the EGM in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or via the designated website (https://evoting.vistra.com) by using the username and password provided on the notification letter sent by the Company as soon as possible but in any event not less than 48 hours before the time appointed for the EGM (i.e. not later than 10:30 a.m. on Wednesday, 16 July 2025) or the adjourned meeting (as the case may be).

This circular together with the form of proxy are published on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and on the website of the Company at www.wlis.com.hk.

30 June 2025

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

In this circular, unless the context otherwise requires, the following words and expressions have the following meanings:

"associate(s)"	has the same meaning as ascribed to it under the GEM Listing Rules
"Board"	the board of the Directors
"Business Day(s)"	any day on which the Stock Exchange is open for the business of dealing in securities
"Company"	Well Link Securities Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on GEM (stock code: 8350)
"Completion"	completion of the Proposed Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement
"connected person(s)"	has the same meaning as ascribed to it under the GEM Listing Rules
"Consideration Bonds"	the bonds in the aggregate principal amount of HK$35,000,000 to be issued by the Company to the Vendors upon Completion to satisfy the consideration pursuant to the Sale and Purchase Agreement
"Director(s)"	director(s) of the Company
"EGM"	the extraordinary general meeting to be convened by the Company to consider, among other things, the Proposed Acquisition and the transactions contemplated thereunder
"Enlarged Group"	the Group as enlarged by the Target Group upon Completion
"GEM"	GEM of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent board committee of the Board comprising all the independent non-executive Directors, which has been formed to advise the Independent Shareholders in respect of the Proposed Acquisition and the transactions contemplated thereunder
"Independent Financial Adviser"	Akron Corporate Finance Limited, a corporation licensed to carry out Type 6 (Advising on Corporate Finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of whether the Proposed Acquisition and the transactions contemplated thereunder are on normal commercial terms or better and fair and reasonable and whether the Proposed Acquisition is in the interests of the Company and the Shareholders as a whole
"Independent Shareholder(s)"	Shareholder(s) other than those that are required under the GEM Listing Rules to abstain from voting on the resolution(s) to be proposed at the EGM
"Latest Practicable Date"	26 June 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
"Maturity Date"	the eighth anniversary from the date of issue of the Consideration Bonds
"percentage ratio"	the percentage ratios as defined under Rule 19.07 of GEM Listing Rules
"PRC"	the People's Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this circular
"Proposed Acquisition"	the proposed acquisition of the Sale Share pursuant to the terms of the Sale and Purchase Agreement
"Sale and Purchase Agreement"	the sale and purchase agreement dated 7 May 2025 entered into between the Company and the Vendors in relation to the Proposed Acquisition

"Sale Share"	one issued share in the Target Company, being the entire issued share capital of the Target Company
"SFC"	Securities and Futures Commission
"SFO"	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) with a nominal value of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Sea and Alpine Company Limited
"Target Group"	the Target Company and its subsidiaries
"Valuer"	APAC Asset Valuation and Consulting Limited
"Vendors"	Mr. Xu Chujia, who holds 95% of the issued share capital of the Target Company, and Ms. Zhang Meijuan, who holds 5% of the issued share capital of the Target Company
"Well Link Fintech"	Well Link Fintech Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
"%"	per cent.

Well Link Securities Holdings Limited
立橋證券控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8350)

Executive Directors:
Ms. Xu Wenxia *(Chairlady)*
Mr. Kwan Kin Man Keith *(Chief Executive Officer)*

Independent Non-executive Directors:
The Hon. Ip Kwok Him, *G.B.M., G.B.S., J.P.*
Ms. Wu Hung Yu
Mr. Yeung Chi Shing Bret

Registered office:
PO Box 1350, Clifton House
75 Fort Street
Grand Cayman, KY1-1108
Cayman Islands

Head office and principal place of business in Hong Kong:
Unit 13–15, 11/F
China Merchants Tower
Shun Tak Centre
168–200 Connaught Road Central
Sheung Wan
Hong Kong

30 June 2025

To the Shareholders

Dear Sir or Madam,

(1) MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE PROPOSED ACQUISITION OF THE TARGET COMPANY AND (2) NOTICE OF EGM

Reference is made to the Announcement dated 7 May 2025, in relation to, among other things, the Proposed Acquisition. The Proposed Acquisition constitutes a major and connected transaction of the Company under the GEM Listing Rules.

On 7 May 2025 (after trading hours), the Company as purchaser and the Vendors as vendors entered into the Sale and Purchase Agreement, pursuant to which the Company has conditionally agreed to purchase and the Vendors have conditionally agreed to sell, the Sale Share, representing the entire issued share capital of the Target Company at a total consideration of HK$35,000,000, which shall be satisfied by way of issue of the Consideration Bonds to the Vendors.

Upon Completion, the Group will be interested in the entire issued share capital of the Target Company and the Target Company will become a direct wholly-owned subsidiary of the Company, and the financial information of the Target Group will be consolidated into the financial statements of the Company.

The purpose of this circular is to provide you with, among other things, (i) further details of the Proposed Acquisition and the transaction contemplated thereunder; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders on the Proposed Acquisition and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Proposed Acquisition and the transaction contemplated thereunder; (iv) the financial information of the Group; (v) the accountant's report of the Target Group; (vi) management discussion and analysis of the Target Group; (vii) the unaudited pro forma financial information of the Enlarged Group; (viii) the valuation report on the Target Group prepared by the Valuer; and (ix) a notice of EGM.

INTRODUCTION

On 7 May 2025 (after trading hours), the Company as purchaser and the Vendors as vendors entered into the Sale and Purchase Agreement, pursuant to which the Company has conditionally agreed to purchase and the Vendors have conditionally agreed to sell, the Sale Share, representing the entire issued share capital of the Target Company at a total consideration of HK$35,000,000, which shall be satisfied by way of issue of the Consideration Bonds to the Vendors.

PROPOSED ACQUISITION

Principal terms of the Sale and Purchase Agreement are set forth below:

Date: 7 May 2025 (after trading hours)

Parties: The Company (as purchaser); and

Mr. Xu Chujia and Ms. Zhang Meijuan (as vendors)

Subject matter

Pursuant to the Sale and Purchase Agreement, the Company has conditionally agreed to purchase, and the Vendors have conditionally agreed to sell, the Sale Share, representing the entire issued share capital of the Target Company.

There is no restriction on subsequent sale of the Sale Share.

The aggregate of the remuneration payable to and benefits in kind receivable by the Directors will not be varied in consequence of the acquisition of Sale Share.

Consideration

The total consideration of HK$35,000,000 shall be satisfied by way of issue of the Consideration Bonds in the aggregate principal amount of HK$35,000,000 to the Vendors, among which, the Consideration Bonds in the principal amounts of HK$33,250,000 shall be issued to Mr. Xu Chujia and the Consideration Bonds in the principal amounts of HK$1,750,000 shall be issued to Ms. Zhang Meijuan.

The consideration was determined after arm's length negotiation between the parties on normal commercial terms principally with reference to, among other things, (i) the valuation of the Sale Share conducted by the Valuer by adopting the market approach of approximately HK$37,000,000 as at 31 March 2025; and (ii) the reasons for and benefits of the Proposed Acquisition as stated under the section headed "Reasons for and benefits of the Proposed Acquisition" below.

The principal terms of the Consideration Bonds are summarised as follows:

Issuer:	the Company
Principal amount:	HK$35,000,000
Subscription price:	HK$35,000,000
Maturity date:	The eighth anniversary from the date of issue of the Consideration Bonds
Interest:	The Consideration Bonds shall bear no interest.
Redemption:	The Company may at any time before the Maturity Date, by giving not less than 2 Business Days' notice to the bondholders, redeem all or part of the outstanding Consideration Bonds. Unless previously redeemed or cancelled as provided therein, the Company will redeem the outstanding principal amount of the Consideration Bonds on the Maturity Date.
Status and ranking:	The obligations of the Company arising under the Consideration Bonds constitute general, direct, unsubordinated, unconditional and unsecured obligations of the Company, and rank pari passu among themselves and at least pari passu in right of payment with all other present and future unsecured obligations of the Company.

Profit guarantee:	If the consolidated profit after tax for the year ended 31 December 2025 for the Target Company shall be loss making, the Consideration Bonds shall be cancelled and the Company shall not be obligated to pay any consideration for the Sale Share. The Company will comply with the disclosure requirements under Rule 20.61 of the GEM Listing Rules if the Target Company fails to meet the aforementioned profit guarantee.

During the three financial years ended 31 December 2022, 2023 and 2024, the Target Group generated net profit of HK$1.1 million, net loss of HK$5.7 million and net loss of HK$12.2 million in 2022, 2023 and 2024, respectively. Although the Target Group was loss making for 2023 and 2024, around HK$20.1 million and HK$23.6 million respective loss was derived from expected credit loss provision on certain cash and margin receivables. Following the recognition of the provisions, and excluding subsequent settlements, the net book values of these cash and margin receivables as at 31 December 2024 were reduced to approximately HK$7.2 million with an average loan-to-value ratio of 33% which suggest reduced margin exposure going forward. Excluding the provisions, the net loss of the Target Company would become net profit of HK$14.4 million and HK$11.4 million for 2023 and 2024, respectively. In addition, based on the review of the unaudited management account of the Target Group for the four months ended 30 April 2025, the net profit after tax of the Target Group was not less than approximately HK$9.0 million. It is therefore expected that the aforementioned profit guarantee can be met.

Conditions precedent

Completion is conditional upon and subject to the satisfaction (or waiver, as the case may be) of the following conditions:

(1) the passing by the Independent Shareholders at the EGM of all necessary resolutions approving the Proposed Acquisition and the transactions contemplated thereunder;

(2) all necessary consents and approvals required to be obtained on the part of the Company and the Target Company in respect of the Proposed Acquisition and the transactions contemplated thereunder having been obtained;

(3) the approval from the SFC in relation to the change of substantial shareholder (as defined in the SFO) of Well Link Securities Limited having been obtained;

(4) the Company being satisfied that there has been no material adverse change on the Target Group since the date of the Sale and Purchase Agreement; and

(5) the warranties of the Vendors given as at the date of the Agreement remaining true, accurate and not misleading in all material respects upon repetition of the same immediately prior to the Completion with reference to the facts and circumstances then existing.

Completion

Completion shall take place within 10 Business Days after fulfilment of all the conditions precedent under the Sale and Purchase Agreement. Upon Completion, the Company will be interested in the entire issued share capital of the Target Company and the Target Company will become a direct wholly-owned subsidiary of the Company, and the financial information of the Target Group will be consolidated into the financial statements of the Company.

INFORMATION OF THE PARTIES

The Company

The Company is an investment holding company and its subsidiaries mainly provides services under Type 1 (Dealing in securities), Type 2 (Dealing in futures), Type 4 (Advising on securities) and Type 5 (Advising on futures contracts) activities regulated under the SFO for futures, securities and options traded on the exchanges in Hong Kong, the United States, Japan, Singapore and the United Kingdom. The Group also provides margin financing business, equity and debt securities placing service, investment advisory services and money lending business. The Group offers its securities and futures business under Well Link International Securities Limited, a wholly owned subsidiary of the Company.

Vendors

The Target Company has one issued share, representing its entire issued share capital. According to the Memorandum and Articles of Association of the Target Company, the Target Company may issue fractional shares and a fractional share shall have the corresponding factional rights, obligations and liabilities of a whole share of the same class or series of shares. Mr. Xu Chujia holds 0.95 fractional share in the Target Company, representing 95% of the entire issued share capital of the Target Company, and Ms. Zhang Meijuan holds 0.05 fractional share in the Target Company, representing 5% of the entire issued share capital of the Target Company.

Mr. Xu Chujia is the ultimate majority shareholder of Banco Well Link S.A., Well Link Life Insurance Company Limited and Well Link General Insurance Company Limited. Banco Well Link S.A. is a licensed bank in Macau with retail and corporate banking services. It has seven branches across Macau. Well Link Life Insurance Company Limited carries on life insurance business in Hong Kong and underwrites products including but not limited to life protection, endowment, annuity and critical illness. Well Link General Insurance Company Limited carries on general insurance business in Hong Kong which mainly underwrites motor business. Mr. Xu Chujia is also the controlling shareholder and an executive director of

Zhaobangji Lifestyle Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 1660). Zhaobangji Lifestyle Holdings Limited and its subsidiaries are principally engaged in the trading of machinery and spare parts, leasing of machinery and provision of related services and money lending in Hong Kong, and provision of property management services, leasing of machinery and property leasing and subletting, retail and money lending in the PRC.

Ms. Zhang Meijuan is the spouse of Mr. Xu Chujia and is currently a director of Well Link Insurance Group Holdings Limited, which is the controlling shareholder of Well Link Life Insurance Company Limited and Well Link General Insurance Company Limited.

Mr. Xu Chujia and Ms. Zhang Meijuan respectively own 97% and 3% of Well Link Fintech, which is the controlling shareholder of the Company. Well Link Fintech was incorporated in the British Virgin Islands with limited liability as an investment holding company. As at the Latest Practicable Date, save for holding the shares of the Company, Well Link Fintech did not hold any other investment or engage in any other business activities. The directors of Well Link Fintech are Ms. Xu Wenxia, who is the daughter of Mr. Xu Chujia, the Chairwoman of the Board and an executive Director and Mr. Kwan Kin Man Keith, an executive Director and Chief Executive Officer of the Company.

The Target Group

The Target Company is held as to 95% by Mr. Xu Chujia and 5% by Ms. Zhang Meijuan. The Target Company is an investment holding company which does not carry on any business save for its 100% holding of Well Link Securities Limited. Well Link Securities Limited carries on Type 1 (Dealing in Securities) and Type 2 (Dealing in Futures) activities regulated under the SFO, covering stocks, futures, options, bonds and funds products. Set out below is the consolidated financial information of the Target Group for the years ended 31 December 2023 and 2024:

	For the year ended 31 December 2023 (unaudited) *HK$ million*	**For the year ended 31 December 2024** (unaudited) *HK$ million*
Revenue	27.5	20.9
Loss before taxation	(5.7)	(12.2)
Loss after taxation	(5.7)	(12.2)

	As at 31 December 2024 (unaudited) *HK$ million*
Total assets	72.2
Net assets	53.9

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Board believes that the Proposed Acquisition will enable the Group to:

(1) Combine clients and resources to seize the opportunities of time and accelerate the development to be a leading online broker in Hong Kong

The Target Group has a long operating history since 2005 and has currently accumulated a customer base of approximately 20,000 which can be consolidated into the Group following the Proposed Acquisition. Compared to organic growth, this will enable the Group to accelerate the development to become a leading broker in Hong Kong. With a stronger customer base, the Group can better leverage its position in the market to further expand its capabilities.

In the last two financial years, the Group has demonstrated its strength in acquiring high-net-worth customers and providing investment advisory, private placements, bonds trading and margin financing through the introducer broker model. The Target Group has a larger percentage of retail customers in its portfolio, but a portion of these retail customers may become high-net-worth customers in the future. The Group believes that they can be better segmented and serviced by the existing capabilities from the Group. On the other hand, existing retail customers from the Group will also benefit from the mass market technology focused platform from the Target Group which enables simple trading of investment products.

(2) Reinforce complementary advantages and enhance core functionality

The Group operates in a competitive environment in Hong Kong. While cost management is essential in enabling a streamlined business operation to steer through turbulent markets, continuous investment in the Group is also required in order to advance in the market.

The Board believes that the Proposed Acquisition will enable the Group to acquire complementary talents and more efficiently manage cost by integrating the respective capabilities and experiences to better achieve economies of scale. Additionally, the Group will be able to achieve a better return on investment in IT and system developments with a larger customer base. For example, licensing agreement with IT vendors can be negotiated to a better price if the two entities operate under the same group, given the scale of the Group is expected to increase and therefore the average unit cost will be lower. Management and certain back office functions such as marketing, human resources and finance can also be consolidated with the Target Group so the Group can operate more efficiently.

(3) Enhance financial capability of the Group

Through operating the two entities of similar business nature under the Group, the Company can better consolidate its financial resources to expand its business scale. Internally, the treasury function can be better operated to support the individual subsidiaries under the Group. Externally, the Group will have a stronger capital base which can negotiate better terms with financial institutions.

Although the Target Company was loss making for the year ended 31 December 2024, around HK$23.6 million loss was derived from expected credit loss provision on certain cash and margin receivables. Following the recognition of the provisions, and excluding subsequent settlements, the net book values of these cash and margin receivables were reduced to approximately HK$7.2 million with an average loan-to-value ratio of 33%, which suggest reduced margin exposure going forward. Excluding the provisions, the net loss of the Target Company would become net profit of HK$11.4 million.

In view of the above, the Directors believe that the terms and conditions of the Proposed Acquisition and the transactions contemplated thereunder are fair and reasonable, and that the Proposed Acquisition is in the interest of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

Upon Completion, the companies within the Target Group will become indirect wholly owned subsidiaries of the Company and the financial results of the Target Group will be consolidated into the Group's financial statements. As the Group and the Target Group are controlled by Mr. Xu Chujia and Ms. Zhang Meijuan as concert parties together before and after the Proposed Acquisition, the Group will account for the Proposed Acquisition as a business combination under common control using the principles of merger accounting in accordance with the Accounting Guideline 5 Merger Accounting for Common Control Combinations issued by the Hong Kong Institute of Certified Public Accountants. Under the principles of merger accounting, the consolidated financial statements incorporate the financial statement items of the acquired entities or businesses in which the common control combination occurs from the date when the acquired entities or businesses first come under the control of the controlling party. The net assets of the acquired entities or businesses are consolidated using the existing book values from the controlling party's perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the common control combination. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the contribution of the controlling party's interest.

All differences between the cost of acquisition (fair value of consideration paid) and the amounts at which the assets and liabilities are recorded will be recognised directly in equity as part of the merger reserve. Proposed Acquisition costs are expensed as incurred.

Effect on earnings

The Target Group generated profit of approximately HK$1.0 million, incurred loss of approximately HK$5.7 million and HK$12.2 million, respectively for the years ended 31 December 2022, 2023 and 2024. Based on the principle of merger accounting, these historical results will be combined with the historical results of the Group following completion.

Based on the review of the unaudited management account of the Target Group for the four months ended 30 April 2025, the net profit after tax of the Target Group was not less than approximately HK$9.0 million. It is expected that the Proposed Acquisition will have a positive effect on the Group's earnings for the year ended 31 December 2025.

Effects on the assets and liabilities

The total assets of the Target Group was approximately HK$178.9 million, HK$173.8 million and HK$72.2 million as at 31 December 2022, 2023 and 2024, respectively. The total liabilities of the Target Group was approximately HK$107.1 million, HK$107.7 million and HK$18.3 million as at 31 December 2022, 2023 and 2024, respectively. Based on the principle of merger accounting, these historical assets and liabilities will be combined with the historical assets and liabilities of the Group following completion.

In addition, the fair value of the Consideration Bonds is approximately HK$17.9 million, which will be classified as non-current liabilities after completion. The net asset value of the Target Group as at 31 December 2024 was approximately HK$53.9 million. The difference of HK$36.0 million will be recognised directly in equity as part of the merger reserve.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Proposed Acquisition exceeds 25% but is less than 100%, the Proposed Acquisition constitutes a major transaction and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As at the Latest Practicable Date, the Company is beneficially held as to: (i) 54.55% by Well Link Fintech, which is in turn held as to 97.0% by Mr. Xu Chujia; and (ii) 16.67% by Ms. Zhang Meijuan, who is the spouse of Mr. Xu Chujia. Mr. Xu Chujia and Ms. Zhang Meijuan are therefore connected persons of the Company. The Target Company is held as to 95% by Mr. Xu Chujia and 5% by Ms. Zhang Meijuan (i.e. the Vendors). Accordingly, the Proposed Acquisition constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements.

As Ms. Xu Wenxia and Mr. Kwan Kin Man Keith, the executive Directors of the Company, are also the directors of Well Link Fintech, they are considered to have a material interest in the Proposed Acquisition and the transactions contemplated thereunder, they have therefore abstained from voting on the relevant Board resolutions. Save as disclosed above, none of the Directors attended the Board meeting has a material interest in the Proposed Acquisition and the transactions contemplated thereunder.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising The Hon. Ip Kwok Him, G.B.M., G.B.S., J.P., Ms. Wu Hung Yu and Mr. Yeung Chi Shing Bret, all being independent non-executive Directors, has been established to advise and provide recommendation to the Independent Shareholders whether the Proposed Acquisition and the transactions contemplated thereunder are on normal commercial terms or better and fair and reasonable and whether the Proposed Acquisition is in the interests of the Company and the Shareholders as a whole. A letter from the Independent Board Committee is set out on pages 16 to 17 of this circular.

Akron Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. A letter from the Independent Financial Adviser is set out on pages 18 to 39 of this circular.

EGM

Set out on pages EGM-1 to EGM-2 of this circular is a notice convening the EGM to be held at Units 13–15, 11/F China Merchants Tower Shun Tak Center, 168–200 Connaught Road Central, Hong Kong on Friday, 18 July 2025 at 10:30 a.m. at which an ordinary resolution will be proposed to consider and, if thought fit, approve, among other things, the Proposed Acquisition and the transactions contemplated thereunder.

At the EGM, any Shareholders with a material interest in the Sale and Purchase Agreement and the Proposed Acquisition and their respective associates are required to abstain from voting on the proposed ordinary resolution for approving the Sale and Purchase Agreement and the Proposed Acquisition.

As at the Latest Practicable Date, Well Link Fintech (being an associate of Mr. Xu Chujia, one of the Vendors) is interested in 523,672,000 Shares (representing approximately 54.55% of the issued share capital of the Company), Mr. Kwan Kin Man Keith (a director of Well Link Fintech) is interested in 24,000,000 Shares (representing approximately 2.50% of the issued share capital of the Company), and Ms. Zhang Meijuan (being one of the Vendors) is interested in 160,000,000 Shares (representing approximately 16.67% of the issued share capital of the Company). In accordance with the GEM Listing Rules, all Shareholders who have a material interest in the Proposed Acquisition and the transactions contemplated thereunder, together with their associates, will be required to abstain from voting on the relevant resolution(s) at the EGM. Accordingly, Well Link Fintech, Mr. Kwan Kin Man Keith and Ms. Zhang Meijuan are required to abstain from voting on the relevant resolutions at the EGM.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the Proposed Acquisition and the transactions contemplated thereunder and will be required to abstain from voting on the relevant resolutions at the EGM.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, the resolution will be voted on by way of poll at the EGM and the Company will announce the results of the poll in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or via the designated website (https://evoting.vistra.com) by using the username and password provided on the notification letter sent by the Company, as soon as possible and in any event not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be) (i.e. on or before 10:30 a.m. on Wednesday, 16 July 2025). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 15 July 2025 to Friday, 18 July 2025, both dates inclusive, during which period no transfer of shares will be registered, for the purpose of ascertaining Shareholders' entitlement to attend and vote at the EGM. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 14 July 2025.

RECOMMENDATION

Your attention is drawn to (i) the recommendation from the Independent Board Committee to the Independent Shareholders set out on pages 16 to 17 of this circular; and (ii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 18 to 39 of this circular.

The Directors (other than members of the Independent Board Committee whose views are set out in its letter included in this circular) are of the opinion that the Proposed Acquisition and the transactions contemplated thereunder are (i) on terms that are fair and reasonable; (ii) on normal commercial terms or better and in the ordinary and usual course of business of the Group; and (iii) in the interests of the Company and the Shareholders as a whole. Accordingly, such Directors recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Sale and Purchase Agreement and the Proposed Acquisition.

GENERAL

The translation into Chinese language of this circular is for reference only. In case of any inconsistency, the English text of this circular will prevail.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Completion of the Proposed Acquisition and the transactions contemplated thereunder is subject to fulfilment of the conditions under the Sale and Purchase Agreement. As the Proposed Acquisition may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Yours faithfully,
By Order of the Board
Well Link Securities Holdings Limited
Xu Wenxia
Chairlady

The following is the full text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Sale and Purchase Agreement and the Proposed Acquisition for the purpose of incorporation in this circular.

Well Link Securities Holdings Limited
立橋證券控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8350)

30 June 2025

To the Independent Shareholders

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE PROPOSED ACQUISITION OF THE TARGET COMPANY

We refer to the circular of the Company dated 30 June 2025 (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed as the members of the Independent Board Committee to consider the Proposed Acquisition and the transactions contemplated thereunder, and to advise the Independent Shareholders whether the terms of the Proposed Acquisition and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, and to the voting action that should be taken. Akron Corporate Finance Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board, as set out on pages 4 to 15 of the Circular, and the letter from the Independent Financial Adviser which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Proposed Acquisition and the transactions contemplated thereunder, as well as the principal factors and reasons considered by the Independent Financial Adviser in arriving at its recommendation as set out on pages 18 to 39 of the Circular.

After taking into consideration the advice from the Independent Financial Adviser, we consider that the terms of the Proposed Acquisition and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned and on normal commercial terms, and that they are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Proposed Acquisition and the transactions contemplated thereunder.

Yours faithfully,
on behalf of Independent Board Committee of
Well Link Securities Holdings Limited

The Hon. Ip Kwok Him, G.B.M., G.B.S., J.P. *Independent non-executive Director*	**Ms. Wu Hung Yu** *Independent non-executive Director*	**Mr. Yeung Chi Shing Bret** *Independent non-executive Director*

The following is the text of a letter of advice from Akron Corporate Finance Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders regarding the Proposed Acquisition and the transactions contemplated thereunder, for the purpose of inclusion in this circular.

Akron Corporate Finance Limited
亚贝隆资本有限公司

30 June 2025

To: The Independent Board Committee and the Independent Shareholders

Dear Sirs,

MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE PROPOSED ACQUISITION OF THE TARGET COMPANY

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee in respect of the Proposed Acquisition, details of which are set out in the letter from the Board (the **"Letter from the Board"**) contained in the circular issued by the Company to the Shareholders dated 30 June 2025 (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 7 May 2025 (after trading hours), the Company as purchaser and the Vendors as vendors entered into the Sale and Purchase Agreement, pursuant to which the Company has conditionally agreed to purchase and the Vendors have conditionally agreed to sell, the Sale Share, representing the entire issued share capital of the Target Company at a total consideration of HK$35,000,000, which shall be satisfied by way of issue of the Consideration Bonds to the Vendors.

As the highest applicable percentage ratio in respect of the Proposed Acquisition exceeds 25% but is less than 100%, the Proposed Acquisition constitutes a major transaction and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As at the Latest Practicable Date, the Company is beneficially held as to: (i) 54.55% by Well Link Fintech, which is in turn held as to 97.0% by Mr. Xu Chujia; and (ii) 16.67% by Ms. Zhang Meijuan, who is the spouse of Mr. Xu Chujia. Mr. Xu Chujia and Ms. Zhang Meijuan are therefore connected persons of the Company. The Target Company is held as to 95% by Mr. Xu

Chujia and 5% by Ms. Zhang Meijuan (i.e. the Vendors). Accordingly, the Proposed Acquisition constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements.

As Ms. Xu Wenxia and Mr. Kwan Kin Man Keith, the executive Directors of the Company, are also the directors of Well Link Fintech, they are considered to have a material interest in the Proposed Acquisition and the transactions contemplated thereunder, they have therefore abstained from voting on the relevant Board resolutions. Save as disclosed above, none of the Directors attended the Board meeting has a material interest in the Proposed Acquisition and the transactions contemplated thereunder.

As at the Latest Practicable Date, Well Link Fintech (being an associate of Mr. Xu Chujia, one of the Vendors) is interested in 523,672,000 Shares (representing approximately 54.55% of the issued share capital of the Company), Mr. Kwan Kin Man Keith (a director of Well Link Fintech) is interested in 24,000,000 Shares (representing approximately 2.50% of the issued share capital of the Company), and Ms. Zhang Meijuan (being one of the Vendors) is interested in 160,000,000 Shares (representing approximately 16.67% of the issued share capital of the Company). In accordance with the GEM Listing Rules, all Shareholders who have a material interest in the Proposed Acquisition and the transactions contemplated thereunder, together with their associates, will be required to abstain from voting on the relevant resolution(s) at the EGM. Accordingly, Well Link Fintech, Mr. Kwan Kin Man Keith and Ms. Zhang Meijuan are required to abstain from voting on the relevant resolutions at the EGM.

Save as disclosed above, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no other Shareholder has a material interest in the Proposed Acquisition and the transactions contemplated thereunder and will be required to abstain from voting on the relevant resolutions at the EGM.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising The Hon. Ip Kwok Him, G.B.M., G.B.S., J.P., Ms. Wu Hung Yu and Mr. Yeung Chi Shing Bret, all being independent non-executive Directors, has been established to advise and provide recommendation to the Independent Shareholders whether the Proposed Acquisition and the transactions contemplated thereunder are on normal commercial terms or better and fair and reasonable and whether the Proposed Acquisition is in the interests of the Company and the Shareholders as a whole.

We, Akron Corporate Finance Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationship with or interest in the Company or any other parties that could reasonably be regarded as relevant to our independence. In the last two years, we have not acted in any financial adviser role to the Company.

Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we are independent from the Company pursuant to the requirements under Rule 17.96 of the GEM Listing Rules and therefore are qualified to give independent advice in respect of the Proposed Acquisition and the transactions contemplated thereunder.

BASIS OF OUR ADVICE

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinion and representations contained or referred to in the Circular and the statements, information, opinion and representations provided to us by the Directors and/or the management of the Company (the "**Management**"). We have assumed that all information and representations contained or referred to in the Circular and all information and representations which have been provided by the Directors and/or the Management, for which they are solely and wholly responsible, were true, accurate and complete at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors as set out in the Circular were reasonably made after due and careful inquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and representations contained in the Circular.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular as a whole misleading.

We consider that we have reviewed sufficient information, including but not limited to (i) the Circular; (ii) the financial information of the Company for the years ended 31 December 2023 and 2024 ("**FY2023**" and "**FY2024**", respectively) as disclosed in the annual reports of the Company for FY2023 and FY2024 (the "**2024 Annual Report**"); (iii) the independent valuation report set out in Appendix V to the Circular (the "**Valuation Report**"); and (iv) the information relating to the Target Group provided by the Directors and/or the Management, to enable us to reach an informed view and to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our opinions and recommendations. We have not, however, carried out any independent verification of the information provided, representations made, or opinion expressed by the Directors and/or the Management, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company or the Target Company or any of their respective subsidiaries and associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In giving our opinion and recommendations to the Independent Board Committee and the Independent Shareholders in respect of the Proposed Acquisition, we have taken into consideration the following factors and reasons:

1. Information of the Group

1.1 Background information of the Group

The Company is an investment holding company and its subsidiaries mainly provides services under Type 1 (dealing in securities), Type 2 (dealing in futures), Type 4 (advising on securities) and Type 5 (advising on futures contracts) activities regulated under the SFO for futures, securities and options traded on the exchanges in Hong Kong, the United States, Japan, Singapore and the United Kingdom. The Group also provides margin financing business, equity and debt securities placing service, investment advisory services and money lending business. The Group offers its securities and futures business under Well Link International Securities Limited, a wholly owned subsidiary of the Company.

1.2 Financial information of the Group

The audited financial information of the Group for each of FY2023 and FY2024 as extracted from the 2024 Annual Report is tabulated below:

	FY2024 *HK$'000* (audited)	**FY2023** *HK$'000* (audited)
Revenue	22,577	24,143
Profit before tax	8,662	11,402
Profit and total comprehensive income attributable to owners of the Company for the year	6,735	8,909

	As at 31 December	
	2024	**2023**
	HK$'000	*HK$'000*
	(audited)	(audited)
Total assets	88,993	71,674
Total liabilities	36,405	64,021
Net current assets	43,309	24,969
Total equity	52,588	7,653

The revenue of the Group decreased by approximately HK$1.6 million, or approximately 6.5%, from approximately HK$24.1 million for FY2023 to approximately HK$22.6 million for FY2024. We noted from the 2024 Annual Report that such decrease in the revenue was primarily due to the decrease in the placing and advisory fee income, partially offset by the increase in the securities trading brokerage service income and the interest income from margin financing and money lending.

Due to (i) the aforesaid decrease in the revenue; and (ii) the decrease in the reversal of impairment losses recognised for the year of approximately HK$2.2 million, the Group recorded a decrease in the profit and total comprehensive income attributable to owners of the Company for FY2024 by approximately HK$2.2 million, or approximately 24.4%, from approximately HK$8.9 million for FY2023 to approximately HK$6.7 million for FY2024.

The total equity of the Group increased by approximately HK$44.9 million, or approximately 587.2%, from approximately HK$7.7 million as at 31 December 2023 to approximately HK$52.6 million as at 31 December 2024. Based on the consolidated statement of changes in equity enclosed in the 2024 Annual Report, the increase in the total equity was attributable to (i) the profit for the year recorded in FY2024; and (ii) the issuance of new shares.

2. Information of the Vendors

The Target Company has one issued share, representing its entire issued share capital. According to the memorandum and articles of association of the Target Company, the Target Company may issue fractional shares and a fractional share shall have the corresponding factional rights, obligations and liabilities of a whole share of the same class or series of shares. Mr. Xu Chujia holds 0.95 fractional share in the Target Company, representing 95% of the entire issued share capital of the Target Company, and Ms. Zhang Meijuan holds 0.05 fractional share in the Target Company, representing 5% of the entire issued share capital of the Target Company.

Mr. Xu Chujia is the ultimate majority shareholder of Banco Well Link S.A., Well Link Life Insurance Company Limited and Well Link General Insurance Company Limited. Banco Well Link S.A. is a licensed bank in Macau with retail and corporate banking services. It has seven branches across Macau. Well Link Life Insurance Company Limited carries on life insurance business in Hong Kong and underwrites products including but not limited to life protection, endowment, annuity and critical illness. Well Link General Insurance Company Limited carries on general insurance business in Hong Kong which mainly underwrites motor business. Mr. Xu Chujia is also the controlling shareholder and an executive director of Zhaobangji Lifestyle Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 1660). Zhaobangji Lifestyle Holdings Limited and its subsidiaries are principally engaged in the trading of machinery and spare parts, leasing of machinery and provision of related services and money lending in Hong Kong, and provision of property management services, leasing of machinery and property leasing and subletting, retail and money lending in the PRC.

Ms. Zhang Meijuan is the spouse of Mr. Xu Chujia and is currently a director of Well Link Insurance Group Holdings Limited, which is the controlling shareholder of Well Link Life Insurance Company Limited and Well Link General Insurance Company Limited.

Mr. Xu Chujia and Ms. Zhang Meijuan respectively own 97% and 3% of Well Link Fintech, which is the controlling shareholder of the Company. Well Link Fintech was incorporated in the British Virgin Islands with limited liability as an investment holding company. As at the Latest Practicable Date, save for holding the shares of the Company, Well Link Fintech did not hold any other investment or engage in any other business activities. The directors of Well Link Fintech are Ms. Xu Wenxia, who is the daughter of Mr. Xu Chujia, the Chairwoman of the Board and an executive Director and Mr. Kwan Kin Man Keith, an executive Director and Chief Executive Officer of the Company.

3. Information of the Target Group

3.1 Background information of the Target Group

The Target Company is an investment holding company which does not carry on any business save for its 100% holding of Well Link Securities Limited. Well Link Securities Limited carries on Type 1 (dealing in securities) and Type 2 (dealing in futures) activities regulated under the SFO, covering stocks, futures, options, bonds and funds products. The Target Group has a long operating history since 2005.

3.2 Financial information of the Target Group

The key audited financial information of the Target Group for the year ended 31 December 2022 ("**FY2022**"), FY2023 and FY2024 based on the accountant's report set out in Appendix II to the Circular is tabulated below:

	FY2024	FY2023	FY2022
	HK$'000	*HK$'000*	*HK$'000*
	(audited)	(audited)	(audited)
Revenue	20,879	27,541	24,263
Profit/(loss) before taxation	(12,245)	(5,693)	1,080
Profit/(loss) for the year	(12,245)	(5,693)	1,080

The audited consolidated net assets of the Target Group as at 31 December 2024 was approximately HK$53.9 million. Upon Completion, the Group will be interested in the entire issued share capital of the Target Company and the Target Company will become a direct wholly-owned subsidiary of the Company, and the financial information of the Target Group will be consolidated into the financial statements of the Company.

We have reviewed the breakdown of the revenue of the Target Group for FY2022, FY2023 and FY2024 provided by the Management. The revenue of the Target Group comprised of (i) the commission income from dealing in securities, futures contracts and bonds and from initial public offering; and (ii) the interest income from cash and margin clients. For FY2024, the interest income of the Target Group decreased by approximately HK$7.3 million, while the commission income of the Target Group remained at a comparable level as that for FY2023. We learnt from the management discussion and analysis of the Target Group set out in Appendix III to the Circular that the decrease in the interest income of the Target Group for FY2024 was mainly attributable to a lower net margin receivable amount, which was largely driven by a reduced appetite among clients to borrow margin in a higher interest environment and the Target Group's prudent approach not to accrue interest on certain margin clients which were overdue and impaired.

Further, according to the management discussion and analysis of the Target Group set out in Appendix III to the Circular, the loss of the Target Group for each of FY2023 and FY2024 was mainly attributable to the expected credit loss provision of approximately HK$20.1 million and HK$23.6 million respectively recognised on account receivables from cash and margin clients. If such provisions were excluded, the Target Group would record the net profit of approximately HK$14.4 million and HK$11.4 million for FY2023 and FY2024, respectively.

4. Reasons for and benefits of the Proposed Acquisition

As stated in the Letter from the Board, the Board believes that the Proposed Acquisition will enable the Group to (1) combine clients and resources to seize the opportunities of time and accelerate the development to be a leading online broker in Hong Kong; (2) reinforce complementary advantages and enhance core functionality through efficient cost management by integrating the respective capabilities and experiences; and (3) enhance financial capability of the Group by consolidating its financial resources to expand its business scale.

We concur with the Board regarding the abovementioned reasons and benefits, as the Group can capitalize on the Proposed Acquisition to (i) expand its market share with increased market presence and customer base, thus enhancing its competitive position in its development as a leading online broker; and (ii) optimize the resource allocation and operation efficiency through achieving economies of scale (by consolidating marketing, human resources and finance functions) and a better return on investment in information technology and system development.

We have reviewed the client base of the Target Group and noted that there were over 3,000 customers in 2024, a majority of whom are mass market customers. We consider that the Group may capture the business potential from the existing client base of the Target Group. According to the "2024 Annual Market Statistics" published by the Stock Exchange on its website, the average daily turnover in the Hong Kong securities market increased by approximately 25.5% from approximately HK$105.0 billion in 2023 to approximately HK$131.8 billion in 2024. The Hong Kong securities market remains resilient amid increased volatility for the first quarter of 2025, as demonstrated by the average daily turnover in the Hong Kong securities market reaching approximately HK$242.7 billion for the first quarter of 2025 (representing an increase of approximately 144.3% as compared to that of approximately HK$99.4 billion in the corresponding period in 2024). Based on the foregoing, we are of the view that the Proposed Acquisition will be advantageous for the Group to further capture the growing market opportunity with the expanded client base.

Having considered (i) that the Proposed Acquisition is in line with the Group's business development as a leading online broker in Hong Kong; (ii) the benefits deriving from the increased market share and the optimization on resource allocation and operation efficiency; (iii) the long operating history and the well-established capabilities of the Target Group with a solid track record of financial performance; and (iv) the outlook of the securities market in Hong Kong as discussed above, we are of the view that the Proposed Acquisition is in the interests of the Company and the Shareholders as a whole.

5. Principal terms of the Sale and Purchase Agreement

Pursuant to the Sale and Purchase Agreement, the Company has conditionally agreed to purchase and the Vendors have conditionally agreed to sell, the Sale Share, representing the entire issued share capital of the Target Company at a total consideration of HK$35,000,000 (the "**Consideration**"), which shall be satisfied by way of issue of the Consideration Bonds to the Vendors. The principal terms of the Consideration Bonds are summarised as follows:

Issuer:	the Company
Principal amount:	HK$35,000,000
Subscription price:	HK$35,000,000
Maturity date:	The eighth anniversary from the date of issue of the Consideration Bonds
Interest:	The Consideration Bonds shall bear no interest.
Redemption:	The Company may at any time before the Maturity Date, by giving not less than 2 Business Days' notice to the bondholders, redeem all or part of the outstanding Consideration Bonds. Unless previously redeemed or cancelled as provided therein, the Company will redeem the outstanding principal amount of the Consideration Bonds on the Maturity Date.
Status and ranking:	The obligations of the Company arising under the Consideration Bonds constitute general, direct, unsubordinated, unconditional and unsecured obligations of the Company, and rank *pari passu* among themselves and at least *pari passu* in right of payment with all other present and future unsecured obligations of the Company.
Profit guarantee:	If the consolidated profit after tax for the year ending 31 December 2025 for the Target Company shall be loss making, the Consideration Bonds shall be cancelled and the Company shall not be obligated to pay any consideration for the Sale Share.

Completion is conditional upon and subject to the satisfaction (or waiver, as the case may be) of the following conditions:

(1) the passing by the Independent Shareholders at the EGM of all necessary resolutions approving the Proposed Acquisition and the transactions contemplated thereunder;

(2) all necessary consents and approvals required to be obtained on the part of the Company and the Target Company in respect of the Proposed Acquisition and the transactions contemplated thereunder having been obtained;

(3) the approval from the SFC in relation to the change of substantial shareholder (as defined in the SFO) of Well Link Securities Limited having been obtained;

(4) the Company being satisfied that there has been no material adverse change on the Target Group since the date of the Sale and Purchase Agreement; and

(5) the warranties of the Vendors given as at the date of the Sale and Purchase Agreement remaining true, accurate and not misleading in all material respects upon repetition of the same immediately prior to the Completion with reference to the facts and circumstances then existing.

Completion shall take place within 10 Business Days after fulfilment of all the conditions precedent under the Sale and Purchase Agreement.

5.1 Evaluation of the settlement method

The total Consideration of HK$35,000,000 shall be satisfied by way of issue of the Consideration Bonds in the aggregate principal amount of HK$35,000,000 to the Vendors, among which, the Consideration Bonds in the principal amounts of HK$33,250,000 shall be issued to Mr. Xu Chujia and the Consideration Bonds in the principal amounts of HK$1,750,000 shall be issued to Ms. Zhang Meijuan.

The Consideration Bonds are non-interest bearing with a maturity date on the eighth anniversary from the date of issue, which will not impose immediate settlement burdens to the Group's financial resources or incur additional financing costs to the Group. We noted from the 2024 Annual Report that the Group registered cash and cash equivalents of approximately HK$13.9 million as at 31 December 2024 and recorded net cash used in operating activities of approximately HK$21.3 million for FY2024. As such, we consider that settlement of the Consideration by issue of the Consideration Bonds will (i) minimize the immediate cash outflow of the Group; and (ii) enable the Group to preserve cash for financing its daily operations and future capital requirements for development.

Further, if the consolidated profit after tax for the year ending 31 December 2025 for the Target Company is loss making, the Consideration Bonds will be cancelled and the Company will not be obligated to pay any consideration for the Sale Share. We are of the view that such mechanism is in the interest of the Company and the Shareholders as a whole as it serves as safeguard to the Group against the potential risk of unsatisfactory financial performance of the Target Group.

Accordingly, we are of the view that the above settlement method and mechanism are in the interests of the Company and the Shareholders as a whole.

5.2 Evaluation of the Consideration and the valuation

As set out in the Letter from the Board, the Consideration was determined after arm's length negotiation between the parties on normal commercial terms principally with reference to, among other things, (i) the valuation of the Sale Share (the "**Valuation**") conducted by the Valuer by adopting the market approach of approximately HK$37,000,000 as at 31 March 2025 (the "**Valuation Date**"); and (ii) the reasons for and benefits of the Proposed Acquisition as stated in the Letter from the Board.

The Consideration of HK$35,000,000 is approximately 5.4% below the Valuation. In assessing the fairness and reasonableness of the Valuation, we have reviewed the Valuation Report and discussed with the Valuer in relation to its competence, methodologies used and assumptions adopted in performing the Valuation. We note that the Valuation Report was prepared by the Valuer in accordance with the International Valuation Standards.

(i) Competence of the Valuer

We have reviewed the qualification and experience of the Valuer and the person in charge of the Valuation. The Valuer is a qualified professional valuation and advisory group in Hong Kong with extensive experience in performing business enterprise valuations, intangible assets appraisals, and financial instrument valuations for companies across various industries. We understand that Mr. Jasper Chan, who is the signatory of the Valuation Report, has over 10 years of experience in handling valuations and financial modelling for financial reporting, merger and acquisition, financial derivatives, intangible assets, biological assets, and mine valuations. His expertise spans various industries including manufacturing, financial services, mineral resources, forestry, information technology, pharmaceutical, and casinos and gaming.

We have reviewed the engagement letter of the Valuer and are satisfied the terms of engagement and the scope of work of the Valuer are appropriate to the opinion required to be given and we are not aware of any limitation on the scope of work which might adversely impact on the degree of assurance given by the Valuer in the Valuation Report. Furthermore, we have enquired with the Valuer as to its independence from the Group, and understood that the Valuer is independent from the Company, the Target Group and their connected persons.

Based on the aforesaid, we are satisfied with the qualification, experience and independence of the Valuer required to perform the Valuation.

(ii) Valuation methodologies

According to the Valuation Report and based on our discussions with the Valuer for the methodologies, basis and assumptions adopted by the Valuer, we understood that the Valuer has considered three generally accepted approaches, namely the cost approach, the market approach and the income approach. We have enquired into and the Valuer explained that, the cost approach and the income approach are not appropriate for the Valuation since (i) the cost approach ignores the economic benefits of ownership of the business; and (ii) the income approach relies on numerous assumptions and estimations which are not easily verifiable, supportable or reliably measured.

The market approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available, and incorporating adjustments to be made for any difference between the properties of the comparable assets and the subject asset being appraised. Given the nature of the business operations of the Target Group and the availability of market information, we concur with the Valuer that the market approach is the most appropriate approach for the Valuation.

As advised by the Valuer, we are made aware that under the market approach, the guideline public company method (the "**GPCM**") and the comparable transactions method are the two common valuation methods. Due to the lack of public information on recent comparable transactions in the market, the comparable transactions method was considered not appropriate. The Valuer has therefore adopted the GPCM, which involves the use of the valuation multiples applicable to the subject companies, to assess the fair value of the Sale Share.

In this connection, we have reviewed the report of screening of the comparable transactions with the input of the selection criteria conducted by the Valuer via Bloomberg, which are considered to be a reliable source for market information of the Hong Kong, the PRC and international markets. Based on the selection criteria of (i) target companies operating within the sector of institutional brokerage, wealth management or investment management in Hong Kong; and (ii) transactions being completed within the past 12 months prior to the Valuation Date, a comprehensive search of target companies within the global/regional brokerage industries being acquired via Bloomberg yielded nine findings of relevant transactions. We have independently verified that none of the target companies involved in these relevant transactions is engaged in the securities brokerage and financial services businesses. Given that the principal businesses of the target companies involved in these relevant transactions materially differed from that of the Target Company, we concur with the Valuer that the comparable transactions method was not applicable in the Valuation due to the lack of recent comparable transactions in the market. Accordingly, we are of the view that the adoption of the GPCM is fair and reasonable.

(iii) Application of the market approach

For the purpose of valuing the Sale Share under the market approach using the GPCM, the Valuer has identified 14 comparable companies (the "**Comparable Companies**"), details of which are set out in the Valuation Report. As confirmed by the Valuer, the list of the Comparable Companies is exhaustive based on the following selection criteria: (i) the revenue from the securities brokerage and financial service businesses for the Comparable Companies should account for an average of over 50% of total revenue in 2023 and 2024 according to their latest published annual reports and company websites; (ii) the revenue derived from the Hong Kong market for the Comparable Companies should average over 50% of total revenue in 2023 and 2024; (iii) the financial information of the Comparable Companies must be publicly available; (iv) the Comparable Companies' historical trading data must be sufficient and available; and (v) the trading of the Comparable Companies' shares should have suspended no more than 30 days within one year before the Valuation Date. We consider that the selection criteria (i) and (ii) outlined above are appropriate for identifying industry peers with similar revenue streams and subject to analogous market conditions, regulatory environments and economic factors. The selection criteria (iii), (iv) and (v) outlined above ensure the availability of robust and reliable publicly accessible information to be utilized under the market approach. As such, we are of the view that the selection criteria adopted by the Valuer are fair and reasonable for identifying the Comparable Companies for the Valuation under the GPCM.

We have discussed with the Valuer concerning its screening process for the exhaustive list of the Comparable Companies. We understood that the Valuer has conducted preliminary search for a comprehensive list of companies operating within the sector of institutional brokerage, wealth management and investment management in Hong Kong through Bloomberg. Among the 67 initially shortlisted companies (the "**Shortlisted Companies**") yielded from Bloomberg, only 14 Comparable Companies matched with the abovementioned selection criteria after screening based on the core dimensions such as business relevance, market environment, and financial characteristics. For our independent assessment purpose, we have reviewed the market data and regulatory filings or documents from the recognized stock exchange websites for each of the 67 Shortlisted Companies in order to cross-check the selection of the Comparable Companies among the 67 Shortlisted Companies. We have reviewed each of their (i) trading history and market capitalization; and (ii) business nature and revenue segment information (in terms of both operating segment and geographical location) based on their published financial reports in 2023 and 2024. Set out below is a summary of the revenue segment information for the Shortlisted Companies which meet all the aforesaid selection criteria:

	Average percentage of total revenue in 2023 and 2024 derived from	
Company name (stock code)	**securities brokerage and financial service businesses**	**Hong Kong market**
	(approximate %)	*(approximate %)*
Astrum Financial Holdings Limited (8333.HK)	78	100
Bright Smart Securities & Commodities Group Limited (1428.HK)	99	100
CASH Financial Services Group Limited (510.HK)	76	91
Central Wealth Group Holdings Limited (139.HK)	54	93
Fu Shek Financial Holdings Limited (2263.HK)	100	100
Get Nice Holdings Limited (64.HK)	80	96
Imagi International Holdings Limited (585.HK)	70	99
Koala Financial Group Limited (8226.HK)	69	100
Pinestone Capital Limited (804.HK)	67	100
Planetree International Development Limited (613.HK)	52	100
Sheng Yuan Holdings Limited (851.HK)	55	100
Shenwan Hongyuan (H.K.) Limited (218.HK)	55	100
South China Financial Holdings Limited (619.HK)	56	99
Victory Securities (Holdings) Company Limited (8540.HK)	76	100

The list of companies set forth above based on our independent assessment are identical to those Comparable Companies identified by the Valuer. Accordingly, we conclude that all 14 Comparable Companies meet the aforesaid selection criteria, while the remaining companies among the 67 Shortlisted Companies do not. We did not note any information which would cause us to doubt the accuracy and completeness of the information in respect of the Comparable Companies set out in the Valuation Report.

We have also attempted to identify other comparable companies (apart from the 67 Shortlisted Companies) by performing search from public domains. Based on our independent search and the selection criteria adopted by the Valuer, we are not aware of any other suitable comparable company being omitted from the list of the Comparable Companies. As such, we consider that the list of the Comparable Companies identified by the Valuer is exhaustive. Based on the foregoing, we believe that the Comparable Companies identified are fair and representative for comparison, and analysis of the Comparable Companies provides a general reference as to the market valuation of companies with similar business to the Target Group.

According to the Valuation Report, in assessing the relationship of a company's valuation with its fundamentals, the Valuer has considered various commonly used valuation benchmarks in assessing the valuation of a company, including the price-to-sales ratio (the "**P/S multiple**"), the price-to-earnings ratio (the "**P/E multiple**"), the enterprise value-to-earnings before interest, tax, depreciation and amortization (the "**EV/EBITDA multiple**") and the price-to-book ratio ("**P/B multiple**"). In view of the loss-making position of the Target Group for FY2024, both the P/E multiple and the EV/EBITDA multiple were not applicable.

Upon our discussions with the Valuer, we were given to understand that the use of the P/S multiple inherently assumes that the Comparable Companies and the Target Company have similar cost structures and profit margin – i.e., similar capabilities to convert sales into profits. Based on the latest reported financial data, the average and median net profit margins of the Comparable Companies were -52.3% and -44.1% respectively, which differed significantly from the Target Company's net profit margin (-120.8%) in 2024. Therefore, the sales-based multiples are considered inapplicable for the Valuation. We understand from the Valuer that the P/B multiple is considered as an appropriate valuation multiple as the Comparable Companies hold similar assets and liabilities as the Target Company, given that they operate in the same industry in a similar manner.

We believe that the valuation of companies engaged in brokerage and margin financing businesses based on the P/S multiple may lead to overvalued result as the P/S multiple does not account for profitability and fails to factor in provisions for credit losses on accounts receivables arising from margin financing. Moreover, the P/B multiple is typically applied for valuing companies which hold relatively liquid assets on their balance sheets and could provide a general reference for the valuation of a company relative to its book value. In light of the above, we concur with the Valuer that the P/B multiple is the most appropriate multiple for the valuation of the Target Company.

As set out in the Valuation Report, the appraised value of the Target Group is derived from (i) applying the median of the adjusted P/B multiples (as adjusted by the size premium) of the 14 Comparable Companies to the net assets value of the Target Group as at 31 December 2024 to derive the equity value of the Target Group, and (ii) applying the adjustments for the discount for lack of marketability ("**DLOM**") and the control premium.

We have reviewed the calculations of the adjusted P/B multiples of the 14 Comparable Companies to verify the P/B multiples adopted by the Valuer in the Valuation Report. We understood from the Valuer that it has taken into account the size differences (in terms of the market capitalizations) among the Comparable Companies and the Target Company. The size premium is thus adopted with reference to the CRSP Deciles Size Premium Studies by Kroll Inc. (formerly known as Duff & Phelps). We have obtained and reviewed the study and we have checked the size premium adopted for each of the Comparable Companies based on their market capitalizations, which is in line with the CRSP Deciles Size Premium Studies by Kroll Inc. As such, we are of the view that the size premium adjustments are fair and reasonable.

To reflect the difference in the marketability of the Sale Share and the shares of the Comparable Companies, the Valuer adopted the DLOM of 15.6% based on the 2024 Edition of the Stout Restricted Stock Study Companion Guide (the "**Stout Restricted Stock Study**"), which we consider a reliable reference as it is published by Stout Risius Ross, LLC., a global investment bank and advisory firm providing services including mergers and acquisitions advice, private capital raising, and other financial advisory services for privately held businesses, private equity firms and their portfolio companies and divisions of large corporations. The DLOM of 15.6% applied in the Valuation represents the median of the discounts for 779 private placement transactions of unregistered common stock issued by publicly traded companies from July 1980 through March 2024 in the Stout Restricted Stock Study.

We consider that the median of DLOMs for 779 private placement transactions being adopted is fair and reasonable as the median (compared to the average) is less affected by outliers and skewed data and therefore is the preferred measure of central tendency. For our assessment purpose, we have enquired with the Valuer regarding the median DLOM by industry, and were made aware that the median DLOM for the finance, insurance and real estate industry of 11.4% is lower than the DLOM of 15.6% applied in the Valuation. Despite that the median DLOM by industry can better reflect the DLOMs within the same industry of the Target Group, we consider that the adoption of the DLOM of 15.6% in the Valuation is justifiable from a conservative perspective.

To account for the full control of the business of the Target Company, the Valuer adopted a control premium of 34.6% with reference to the Factset Mergerstat/BVR Control Premium Study (4th Quarter 2024) (the "**Mergerstat Study**"), which we consider a reliable reference as it is published by FactSet Mergerstat, LLC., which is one of the world's major independent provider for merger and acquisition transaction data. The control premium of 34.6% represents the median of equity control premiums of 148 cases of controlling interest acquisitions or privatisations which involved publicly traded and privately held companies worldwide in the fourth quarter of 2024 (being the latest available data as of the Valuation Date) based on the Mergerstat Study.

We consider that (i) the median of equity control premiums being adopted is fair and reasonable as the median (compared to the average) is less affected by outliers and skewed data and therefore is the preferred measure of central tendency; and (ii) the 148 cases of controlling interest acquisitions or privatisations in the fourth quarter of 2024 represent the most recent and representative transactions for reference. For our assessment purpose, we have enquired with the Valuer regarding the median equity control premium by sector, and were made aware that the median equity control premium for the finance, insurance and real estate industry of 38.5% in 2024 is higher than the control premium of 34.6% applied in the Valuation. Despite that the median equity control premium by sector can better reflect the control premiums within the same industry of the Target Group, we consider that the adoption of the control premium of 34.6% in the Valuation is justifiable from a conservative perspective.

Having conducted the aforesaid independent assessment and reviewed the relevant extract of the Stout Restricted Stock Study and the Mergerstat Study obtained from the Valuer for our due diligence purpose, and considering that the empirical data support by the global financial database providers, we concur that both adjustments applied are reasonable for making appropriate comparison.

(iv) Valuation assumptions

We have reviewed the Valuation Report and discussed with the Valuer in respect of the key assumptions adopted for performing the Valuation. We understand from the Valuer that the assumptions are commonly adopted in other business valuations on companies in the financial services industry and there is no unusual assumption adopted in the Valuation. We also consider that the assumptions adopted in the Valuation Report are general in nature. We are not aware of any material facts which may lead us to doubt the reasonableness of the assumptions adopted for the Valuation.

Taking into account the factors discussed above, we are satisfied that (i) Valuer is independent from the Company and has sufficient experience and competency to perform the Valuation; (ii) the scope of work of the Valuer is appropriate for the relevant engagement; and (iii) the valuation assumptions and methodologies used by the Valuer are fair and reasonable in relation to the Valuation. As such, we consider that the Valuation performed by the Valuer is fair and reasonable, and thus represents an appropriate reference to assess the fairness and reasonableness of the Consideration. Accordingly, we are of the view that the Consideration, which is approximately 5.4% below the Valuation, is fair and reasonable and in the interest of the Company and Shareholders as a whole.

5.3 Evaluation of the Consideration Bonds

In order to assess the fairness and reasonableness on the terms of the Consideration Bonds, we have conducted search on the website of the Stock Exchange for relevant transactions which involved the issue of consideration bonds or promissory notes for acquisitions, announced by companies listed on the Stock Exchange during the 12 months prior to 7 May 2025 (being the date of the Sale and Purchase Agreement). In our assessment, we have identified an exhaustive list of five comparable transactions (the "**Bonds Comparables**").

We consider that the Bonds Comparables serve as a general reference of the recent transactions involving the issue of consideration bonds or promissory notes conducted under similar market conditions and sentiments in the capital market of Hong Kong, which reflects the recent market practice for acquisitions involving the issue of consideration bonds or promissory notes. Shareholders should note that the businesses, financial positions and prospects of the subject companies under the Bonds Comparables may not be the same as, or even substantially vary from, that of the Company, and we have not conducted any detailed investigation into the respective businesses and operations of the subject companies under the Bonds Comparables. A summary of the Bonds Comparables is tabulated below:

Date of announcement	Stock code	Company name	Whether it is a connected transaction	Principal amount	Term	Interest rate per annum
				(HK$ million)	*(years)*	*(%)*
28 April 2025	8403	Dowway Holdings Limited	No	7.0	0.5	2.0
22 November 2024	8475	E-Station Green Technology Group Co., Limited	No	3.4	5.0	Nil
22 October 2024	2195	Unity Enterprise Holdings Limited	No	32.3	2.0	Nil
11 September 2024	720	Auto Italia Holdings Limited	No	61.9	3.0	Nil
26 June 2024	572	Future World Holdings Limited	No	13.6	3.0	5.0
				Average	2.7	1.4
				Maximum	5.0	5.0
				Minimum	0.5	Nil
7 May 2025	8350	The Company	Yes	35.0	8.0	Nil

As shown in the table above, the interest rates of the Bonds Comparables ranged from nil to 5%, while the Consideration Bonds carry no interest. We consider the non-interest bearing Consideration Bonds to be a favourable term for the Company as no financing costs would be incurred.

The term of the Bonds Comparables ranged from six months to five years, while the term of the Consideration Bonds is eight years. Such longer term of the Consideration Bonds, coupled with their non-interest bearing nature, allows for extended capital availability without imposing any short-term financial burden on the Group, thereby enhancing the Group's financial flexibility.

In view of the above, we are of the view that the interest rate and the term of the Consideration Bonds are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

6. Financial effect of the Proposed Acquisition

Upon Completion, the companies within the Target Group will become indirect wholly owned subsidiaries of the Company and the financial results of the Target Group will be consolidated into the Group's financial statements.

As stated in the Letter from the Board, as the Group and the Target Group are controlled by Mr. Xu Chujia and Ms. Zhang Meijuan as concert parties together before and after the Proposed Acquisition, the Group will account for the Proposed Acquisition as a business combination under common control using the principles of merger accounting in accordance with the Accounting Guideline 5 Merger Accounting for Common Control Combinations issued by the Hong Kong Institute of Certified Public Accountants. Under the principles of merger accounting, the consolidated financial statements incorporate the financial statement items of the acquired entities or businesses in which the common control combination occurs from the date when the acquired entities or businesses first come under the control of the controlling party. The net assets of the acquired entities or businesses are consolidated using the existing book values from the controlling party's perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the common control combination. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the contribution of the controlling party's interest. All differences between the cost of acquisition (fair value of consideration paid) and the amounts at which the assets and liabilities are recorded will be recognised directly in equity as part of the merger reserve. The Proposed Acquisition costs are expensed as incurred.

Set out below is the analysis on the financial effects of the Proposed Acquisition on the Group as set out in the Letter from the Board.

6.1 Effects on earnings

The Target Group generated profit of approximately HK$1.0 million, incurred loss of approximately HK$5.7 million and HK$12.2 million, respectively for the years ended 31 December 2022, 2023 and 2024. Based on the principle of merger accounting, these historical results will be combined with the historical results of the Group following Completion.

Based on the review of the unaudited management account of the Target Group for the four months ended 30 April 2025, the net profit after tax of the Target Group was not less than approximately HK$9.0 million. It is expected that the Proposed Acquisition will have a positive effect on the Group's earnings for the year ending 31 December 2025.

6.2 Effects on the assets and liabilities

The total assets of the Target Group was approximately HK$178.9 million, HK$173.8 million and HK$72.2 million as at 31 December 2022, 2023 and 2024, respectively. The total liabilities of the Target Group was approximately HK$107.1 million, HK$107.7 million and HK$18.3 million as at 31 December 2022, 2023 and 2024, respectively. Based on the principle of merger accounting, these historical assets and liabilities will be combined with the historical assets and liabilities of the Group following Completion.

In addition, the fair value of the Consideration Bonds is approximately HK$17.9 million, which will be classified as non-current liabilities after Completion. The net asset value of the Target Group as at 31 December 2024 was approximately HK$53.9 million. The difference of HK$36.0 million will be recognised directly in equity as part of the merger reserve.

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the opinion that (i) the Proposed Acquisition and the transactions contemplated thereunder are on normal commercial terms or better and fair and reasonable; and (ii) the Proposed Acquisition is in the interests of the Company and the Shareholders as a whole. Accordingly, we would recommend the Independent Board Committee to advise the Independent Shareholders, and we advise the Independent Shareholders, to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Akron Corporate Finance Limited
Ross Cheung
Managing Director

Mr. Ross Cheung is a licensed person registered with the SFC and regarded as a responsible officer of Akron Corporate Finance Limited to carry on Type 6 (advising on corporate finance) regulated activity as defined under the SFO and has over 20 years of experience in corporate finance industry.

1. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for each of the three years ended 31 December 2022, 2023 and 2024 are disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkexnews.hk):

- Annual report of the Company for the year ended 31 December 2022 published on 30 March 2023

  (https://www1.hkexnews.hk/listedco/listconews/gem/2023/0330/2023033000713.pdf)

- Annual report of the Company for the year ended 31 December 2023 published on 22 April 2024

  (https://www1.hkexnews.hk/listedco/listconews/gem/2024/0422/2024042200760.pdf)

- Annual report of the Company for the year ended 31 December 2024 published on 30 April 2025

  (https://www1.hkexnews.hk/listedco/listconews/gem/2025/0430/2025043000073.pdf)

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 April 2025 (being the latest practicable date for ascertaining information regarding this indebtedness statement), the Enlarged Group had outstanding indebtedness of approximately HK$39.1 million, consisting of unsecured and unguaranteed shareholder's loan of approximately HK$13.7 million and secured and guaranteed bank borrowings of approximately HK$25.4 million.

Save as disclosed above, and apart from intra-group liabilities, the Enlarged Group did not have any debt securities issued and outstanding, and authorised or otherwise created but unissued, and term loans; any 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; mortgages and charges; or other material contingent liabilities or guarantees at the close of business on 30 April 2025.

3. WORKING CAPITAL

The Directors are of the opinion that in the absence of unforeseeable circumstances, after taking into account the presently available resources, the banking facilities available to the Enlarged Group and the internally generated funds, the Enlarged Group will have sufficient working capital to satisfy its requirements for at least the next 12 months following the date of this circular. The Company has obtained the relevant confirmation as required under Rule 19.66(13) of the GEM Listing Rules.

4. MATERIAL ADVERSE CHANGE

Save as disclosed in this circular, up to and including the Latest Practicable Date, there had been no material adverse change in the financial or trading position of the Group since 31 December 2024 (being the date to which the latest published audited financial statements of the Company were made up).

5. FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP

The Company is an investment holding company and its subsidiaries mainly provides services under Type 1 (Dealing in securities), Type 2 (Dealing in futures), Type 4 (Advising on securities) and Type 5 (Advising on futures contracts) activities regulated under the SFO for futures, securities and options traded on the exchanges in Hong Kong, the United States, Japan, Singapore and the United Kingdom. The Group also provides margin financing business, equity and debt securities placing service, investment advisory services and money lending business. The Group offers its securities and futures business under Well Link International Securities Limited, a wholly owned subsidiary of the Company.

The Target Group carries on Type 1 (Dealing in Securities) and Type 2 (Dealing in Futures) activities regulated under the SFO under Well Link Securities Limited, covering stocks, futures, options, bonds and funds products. The Target Group has a long operating history since 2005.

Following Completion, the Enlarged Group is expected to continue to invest in technology and diversify its product offerings. In particular, the Enlarged Group will continue to improve its trading platform so that user experience can be enhanced and more processes can be done digitally. Furthermore, the Enlarged Group is expected to launch new products such as US stocks options and virtual assets trading. As explained in the section titled “Reasons for and Benefits of the Proposed Acquisition”, the Group believes that the Enlarged Group will be able to achieve better return on investment and economies of scale with a broader customer base.

Financially, the Enlarged Group can better consolidate its financial resources to expand its business scale. Internally, the treasury function can be better operated to support the individual subsidiaries under the Enlarged Group. Externally, the Enlarged Group will have a stronger capital base which can negotiate better terms with financial institutions. Based on the review of the unaudited management account of the Target Group for the four months ended 30 April 2025, the net profit after tax of the Target Group was not less than approximately HK$9.0 million. It is expected that the Proposed Acquisition will have a positive effect on the Enlarged Group’s earnings for the year ended 31 December 2025.

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION OF SEA AND ALPINE COMPANY LIMITED AND ITS SUBSIDIARY

Introduction

We report on the historical combined financial information of Sea and Alpine Company Limited (the "**Target Company**") and its subsidiary (collectively, the "**Target Group**") set out on pages II-4 to II-34, which comprises the combined statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Target Group for each of the three years ended 31 December 2022, 2023 and 2024 (the "**Relevant Periods**"), the combined statements of financial position of the Target Group as at 31 December 2022, 2023 and 2024, and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages II-4 to II-34 forms an integral part of this report, which has been prepared for inclusion in the circular of Well Link Securities Holdings Limited (the "**Company**") dated 30 June 2025 in connection with the acquisition of the entire issued share capital in the Target Company by the Company (the "**Acquisition**").

Directors of the Target Company's responsibility for the Historical Financial Information

The directors of the Target Company and the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the Basis of presentation and preparation set out in notes 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 to the Historical Financial Information, respectively, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the Accountants' report, a true and fair view of the financial position of the Target Group as at 31 December 2022, 2023 and 2024 and of the financial performance and cash flows of the Target Group for each of the Relevant Periods in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on GEM of the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the underlying Financial Statements as defined on page II-3 have been made.

Dividends

We refer to note 25 to the Historical Financial Information which states that no dividends have been paid by the Target Company in respect of the Relevant Periods.

No historical financial statements for the Target Company

As at the date of this report, no statutory financial statements have been prepared for the Target Company since its date of incorporation.

CCT & Partners CPA Limited
Certified Public Accountants

Cai Chun Fai
Practising Certificate Number: P05311

Hong Kong, 30 June 2025

HISTORICAL FINANCIAL INFORMATION OF THE TARGET GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

Well Link Securities Limited (the subsidiary of the Target Company) was incorporated on 2 February 2005 in Hong Kong with limited liability and engaged in business of securities and futures brokerage.

The subsidiary of Target Company has adopted 31 March as the financial year end date in previous years and changed from 31 March to 31 December for the year ended 31 December 2024.

The statutory financial statements of the subsidiary of Target Company for each of the two years ended 31 March 2022 and 2023 have been audited by the BDO Limited in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). The statutory financial statements of the subsidiary of Target Company for the year ended 31 March 2024 and period from 1 April 2024 to 31 December 2024 were audited by CCT & Partners CPA Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The directors of the Target Company have prepared the combined financial statements of the Target Group for the Relevant Periods in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA (the "**Underlying Financial Statements**"). We have performed our independent audit on the Underlying Financial Statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Historical Financial Information is presented in Hong Kong dollars and all values are rounded to the nearest thousand (HKD'000) except when otherwise indicated.

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December		
		2024	**2023**	**2022**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	5	20,879	27,541	24,263
Other income	6	12,974	13,452	6,735
Administrative and other operating expenses		(18,887)	(22,759)	(22,186)
Operating profit before impairment loss		14,966	18,234	8,812
Impairment loss on account receivables, net		(23,553)	(20,096)	(6,931)
Operating (loss)/profit after impairment loss	7	(8,587)	(1,862)	1,881
Finance costs	8	(3,658)	(3,831)	(801)
(Loss)/Profit before taxation		(12,245)	(5,693)	1,080
Income tax expense	10	–	–	–
(Loss)/Profit for the year		(12,245)	(5,693)	1,080
Other comprehensive income for the year, net of tax		–	–	–
Total comprehensive expense/(income) for the year, net of tax		(12,245)	(5,693)	1,080
Attributable to:				
Owners of the parent		(9,061)	(4,213)	799
Non-controlling interests		(3,184)	(1,480)	281
		(12,245)	(5,693)	1,080

COMBINED STATEMENTS OF FINANCIAL POSITION

		Year ended 31 December		
		2024	**2023**	**2022**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets				
Property, plant and equipment	11	97	237	305
Trading rights	12	960	960	960
Other assets	13	1,725	350	350
		2,782	1,547	1,615
Current assets				
Account and other receivables	14	61,997	163,205	156,188
Amounts due from related companies	15	–	1,074	291
Cash and bank balances	16	7,397	7,980	20,800
		69,394	172,259	177,279
Current liabilities				
Account and other payables	17	3,678	16,821	36,756
Amount due to a shareholder	18	3,674	32,787	70,340
Bank borrowings	19	10,964	58,093	–
		18,316	107,701	107,096
Net current assets		51,078	64,558	70,183
NET ASSETS		53,860	66,105	71,798
EQUITY				
Equity attribute to owners of the parent:				
Share capital	20	–	–	–
Reserves	21	39,856	48,917	53,130
		39,856	48,917	53,130
Non-controlling interests		14,004	17,188	18,668
TOTAL EQUITY		53,860	66,105	71,798

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Other reserve	Accumulated losses	Total	Non-controlling Interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2022	–	61,573	(9,242)	52,331	18,387	70,718
Profit for the year and total comprehensive income for the year	–	–	799	799	281	1,080
At 31 December 2022	–	61,573	(8,443)	53,130	18,668	71,798
At 1 January 2023	–	61,573	(8,443)	53,130	18,668	71,798
Loss for the year and total comprehensive loss for the year	–	–	(4,213)	(4,213)	(1,480)	(5,693)
At 31 December 2023	–	61,573	(12,656)	48,917	17,188	66,105
At 1 January 2024	–	61,573	(12,656)	48,917	17,188	66,105
Loss for the year and total comprehensive loss for the year	–	–	(9,061)	(9,061)	(3,184)	(12,245)
At 31 December 2024	–	61,573	(21,717)	39,856	14,004	53,860

COMBINED STATEMENT OF CASH FLOWS

	Year ended 31 December		
	2024	2023	2022
	HK$'000	*HK$'000*	*HK$'000*
Operating activities			
Operating (loss)/profit after impairment loss	(8,587)	(1,862)	1,881
Adjustments for:			
Interest income	(20,269)	(27,768)	(18,929)
Impairment loss on account receivables, net	23,553	20,096	6,931
Depreciation	73	190	395
Loss on disposal of property, plant and equipment	37	–	–
Written off of other receivables	83	–	–
Operating cash flows before movements in working capital	(5,110)	(9,344)	(9,722)
Increase in other assets	(1,375)	–	(75)
Decrease/(Increase) in account and other receivables	77,572	(27,113)	31,968
Decrease/(Increase) in amounts due from related companies	1,074	(783)	109
Decrease in account and other payables	(13,143)	(19,935)	(16,963)
Decrease in amount due to a shareholder	(29,113)	(37,553)	(1,756)
Cash generated from/(used in) operating activities	29,905	(94,728)	3,561
Interest paid	(1,522)	(1,048)	–
Net cash generated from/(used in) operating activities	28,383	(95,776)	3,561
Investing activities			
Interest received	20,269	27,768	18,929
Purchase of property, plant and equipment	–	(122)	(26)
Sales procced from disposal of property, plant and equipment	30	–	–
Net cash generated from investing activities	20,299	27,646	18,903

	Year ended 31 December		
	2024	**2023**	**2022**
	HK$'000	*HK$'000*	*HK$'000*
Financing activities			
New bank borrowings and overdraft raised/(repaid), net	(47,129)	58,093	(80,000)
Bank loans and overdraft interest paid	(2,136)	(2,783)	(801)
Net cash (used in)/generated from financing activities	(49,265)	55,310	(80,801)
Net decrease in cash and cash equivalents	(583)	(12,820)	(58,337)
Cash and cash equivalents at the beginning of the year	7,980	20,800	79,137
Cash and cash equivalents at the end of the year	7,397	7,980	20,800
Analysis of balances of cash and cash equivalents			
Bank balances – general accounts and cash	7,397	7,980	20,800

NOTES TO HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Sea and Alpine Company Limited (the "**Target Company**") was a limited company incorporated in the British Virgin Islands. The address of the registered office is located at Morgan & Morgan Building, Pasea Estate, Road Town, Tortola, British Virgin Islands and the principal place of business of the Target Company is located at Unit 13–15, 11/F, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong.

The Target Company is an investment holding company and its subsidiary is a licensed corporation under the Securities and Futures Ordinance and is licensed to carry out dealing in securities and dealing in future contracts under the Securities and Futures Ordinance. The subsidiary is a participant of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Pursuant to the reorganization, as more fully explained in the paragraph headed "Reorganization" in the Circular, the Target Company became the holding company of the Target Group on 31 December 2024. Particulars of the Target Company's subsidiary as at the date of this report are as follows:

Company Name	**Place and date of incorporation/ registration and place of operations**	**Nominal value of issued ordinary/ registration share capital** *HK$*	**Percentage of equity attributable to the Target Company Directly hold**	**Principal activities**
Well Link Securities Limited *(note)*	Hong Kong	151,000,000	74%	Securities broking services

Note: The statutory financial statements of the subsidiary of Target Company for the years ended 31 March 2022 and 31 March 2023 prepared under HKFRSs were audited by the BDO Limited in Hong Kong.

The statutory financial statements of the subsidiary of Target Company for the year ended 31 March 2024 and period from 1 April 2024 to 31 December 2024 under HKFRSs were audited by CCT & Partners CPA Limited.

2. BASIS OF PRESENTATION, PREPARATION AND MATERIAL ACCOUNTING POLICIES

2.1 Basis of presentation and preparation

The Reorganization involved primarily the incorporation of the Target Company by Ms. Zhang Meijuan (the spouse of Mr. Xu. Chujia), and the companies now comprising the Target Group were under the common control of Mr. Xu Chujia and Ms. Zhang Meijuan (the "**ultimate beneficial owners**") before and after the Reorganization. Accordingly, for the purposes of this report, the Historical Financial Information of the Target Group has been presented using the carrying amounts of the assets, liabilities and operating results of the Business conducted by the companies now comprising the Target Group for all periods presented.

The combined statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Target Group for the Relevant Periods include the results and cash flows of the Business carried out by all companies now comprising the Target Group, from the earliest date presented under the common control of ultimate beneficial owners. The combined statements of financial position of the Target Group as at 31 December 2022, 2023 and 2024 have been prepared to present the assets and liabilities of the Business using the existing book values from ultimate beneficial owners' perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganization.

All intra-group transactions and balances have been eliminated on combination.

The Historical Financial Information has been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and accounting principles generally accepted in Hong Kong.

All HKFRSs effective for the accounting period commencing from 1 January 2022, together with the relevant transitional provisions, have been consistently applied by the Target Company in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention.

2.2 Issued but not yet effective Hong Kong Financial Reporting Standards

The Target Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in the preparation of the Historical Financial Information. The Target group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Target Group. The Target Group's assessment of the impact of these new standards and amendments is set out below:

(a) Amendments to HKAS 21 – Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)

The HKICPA amended HKAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. The Target Group does not expect these amendments to have a material impact on its operations or financial statements.

(b) Amendments to the Classification and Measurement of Financial Instruments – Amendments to HKFRS 9 and HKFRS 7 (effective for annual periods beginning on or after 1 January 2026)

The HKICPA issued targeted amendments to HKFRS 9 and HKFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;

- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;

- add new disclosures of certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and

- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Target Group does not expect these amendments to have a material impact on its operations or financial statements.

(c) HKFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even through HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Target Group's financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption HKFRS 18 will have no impact on the Target Group's net (loss)/profit, the Target Group expects that grouping items of income and expenses in the statement of profit or loss into new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Target Group has performed, the following items might potentially impact operating (loss)/profit:

    - Foreign exchange differences currently aggregated in the line item "other income and other gains/(losses) – net in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

    - HKFRS 18 has specific requirements on the category in which derivative gains or losses are recognised – which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the Target Group currently recognises some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognised, and the Target Group is currently evaluating the need for change.

    - The line items presented on the primary financial statements might change as a result of the application of the concept of "useful" structured summary and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the Target Group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.

    - The Target Group does not expect these to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

        - Management-defined performance measures;

        - A break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and

- For the first annual period of application of HKFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying HKFRS 18 and the amounts previously presented applying HKAS 1.

- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Target Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Target Group has expected that these standards will not have significant effect on the Target Group's financial performance and financial position.

2.3 Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Target Company. Control is achieved when the Target Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Target Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Target Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Target Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) right arising from other contractual arrangements: and

(c) the Target Group's voting rights and potential voting right.

The Target Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The results of subsidiaries are included in the Target Company's profit or loss to the extent of dividends received and receivable. The Target Company's investments in subsidiaries are stated at cost less any impairment losses.

2.4 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Target Group, liabilities assumed by the Target Group to the former owners of the acquiree and the equity interests issued by the Target Group in exchange for control of the acquiree. For each business combination, the Target Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Target Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Target Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Target Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Target Group's cash-generating units, or groups of cash- generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Target Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Target Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Furniture and fixtures	20%
Office equipment	20%
Leasehold improvement	over the lease terms
Motor vehicles	20%

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

2.6 Trading rights

The Target Group's trading rights, representing eligibility rights to trade on or through the Stock Exchange, with indefinite useful lives, are tested for impairment annually either individually or at the cash-generating unit level. Such trading rights are not amortised. The useful life of trading rights with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Gains or losses arising from derecognition of trading rights are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

2.7 Impairment of non-financial assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that assets may be impaired or an impairment charge previously recognized no longer exists or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the higher of its fair value less costs of disposal and value in use. An impairment charge is recognized in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

An impairment charge is reversed if there has been a change in the estimates used to determine the recoverable amount and which results in an increase in the recoverable amount. A reversal of impairment charges is limited to the asset's carrying amount that would have been determined had no impairment charge been recognized in prior periods. Reversals of impairment charges are credited to profit or loss in the period in which the reversals are recognized.

2.8 Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Target Group becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities within the scope of HKFRS 9 are initially measured at fair value and transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The Target Group's financial assets, including account and other receivables, amounts due from related companies and cash and bank balances are subsequently measured at amortized cost using the effective interest method, less identified impairment charges (see note 2.9) as the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal account outstanding. Financial liabilities include account and other payables, amount due to a shareholder and bank borrowings. All financial liabilities are subsequently measured at amortized cost using the effective interest method.

2.9 Impairment of financial assets

The Target Group recognizes loss allowances for expected credit loss ("**ECL**") on the financial instruments that are not measured at fair value through profit or loss. The Target Group considers the probability of default upon initial recognition of financial assets and assesses whether there has been a significant increase in credit risk on an ongoing basis.

The Target Group considers the credit risk on a financial instrument is low if the financial instrument has a low risk of default, the debtor has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtor to fulfill its contractual cash flow obligations.

The carrying amount of the receivables is reduced through the use of the receivable impairment charges account. Changes in the carrying amount of the receivable impairment charges account are recognized in profit or loss. The receivable is written off against the receivable impairment charges account when the Target Group has no reasonable expectations of recovering the receivable.

If, in a subsequent period, the amount of ECL decreases, the reversal would be adjusted to the receivable impairment charges account at the reporting date. The amount of any reversal is recognized in profit or loss.

2.10 Derecognition of financial assets and financial liabilities

Financial assets are derecognized when the contractual rights to receive the cash flows of the financial assets expire; or where the Target Group transfers the financial assets and either (i) it has transferred substantially all the risks and rewards of ownership of the financial assets; or (ii) it has neither transferred nor retained substantially all the risks and rewards of ownership of the financial assets but has not retained control of the financial assets.

Financial liabilities are derecognized when they are extinguished, i.e. when the obligation is discharged, cancelled or expires.

2.11 Accounts and other receivables

A receivable is recognized when the Target Group has an unconditional right to receive consideration. The right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognized before the Target Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortized cost using the effective interest method and less allowance for ECL.

2.12 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Target Group's cash management.

2.13 Accounts and other payables

These amounts represent liabilities for goods and services provided to the Target Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.14 Provision

(i) Provisions and contingent liabilities

Provisions are recognised when the Target Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(ii) Onerous contracts

An onerous contract exists when the Target Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of fulfilling the contract. The cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling that contract.

2.15 Revenue recognition

Revenue is recognised when control over a service is transferred to the customer, at the amount of promised consideration to which the Target Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue is after deduction of any trade discounts.

The performance obligation of provision of securities and futures contracts brokerage services is satisfied at a point in time when the customer has received the services from the Target Group.

Commission income on securities dealing and futures contracts dealing are recorded in the financial statements based on trade date when the relevant contract notes are exchanged and is generally due within one to two days after trade date. Accordingly, only those transactions whose trade date fall within the accounting year have been taken into account.

Underwriting, sub-underwriting and placement commissions are recognised on the trade date, when the Target Group purchases the securities from the issuer or the date the Target Group sells the securities to third party investors.

Custodian fee income are recognised over time when the services are rendered because the customer simultaneously received and concurred the benefits provided by the Target Group.

Handling fee income arising from brokerage business is recognised when the related services are rendered.

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset.

2.16 Employee benefits Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans (including the Long Service Payment ("**LSP**") under the Hong Kong Employment Ordinance and others to specify), the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. In determining the present value of the Target Group's defined benefit obligations and the related current service cost and, where applicable, past service cost, the Target Group attributes benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than earlier years, the Target Group attributes the benefit on a straight-line basis from:

(a) the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service) until

(b) the date when further service by the employee will lead to no material amounts of further benefits under the plan, other than from further salary increases.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Past service cost is recognised in profit or loss in the period of a plan amendment or curtailment and a gain or loss on settlement is recognised when settlement occurs. When determining past service cost, or a gain or loss on settlement, an entity shall remeasure the net defined benefit liability or asset using the current fair value of plan assets and current actuarial assumptions, reflecting the benefits offered under the plan and the plan assets before and after the plan amendment, curtailment or settlement, without considering the effect of asset ceiling (i.e. the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan).

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. However, if the Target Group remeasures the net defined benefit liability or asset before plan amendment, curtailment or settlement, the Target Group determines net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement and the discount rate used to remeasure such net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period resulting from contributions or benefit payments.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Target Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

- If the contributions are not linked to services (for example contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability or asset.

- If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the Target Group reduces service cost by attributing the contributions to periods of service using the attribution method required by HKAS 19.70 for the gross benefits (i.e. either using the plan's contribution formula or on a straight-line basis). For the amount of contribution that is independent of the number of years of service, the Target Group reduces service cost in the period in which the related service is rendered/reduces service cost by attributing contributions to the employees' periods of service in accordance with HKAS 19.70.

For LSP obligation, the Target Group accounts for the employer Mandatory Provident Fund ("**MPF**") contributions expected to be offset as a deemed employee contribution towards the LSP obligation in terms of HKAS 19.93(a) and it is measured on a net basis. The estimated amount of LSP obligation is determined after deducting the negative service cost arising from the accrued benefits (being projected and attributed to periods of service) derived from the Target Group's MPF contributions that have been vested with employees and would be used to offset the employee's LSP benefits, which are deemed to be contributions from the relevant employees.

2.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets is substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Target Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.18 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Target Group operates ("**the functional currency**"). The financial statements are presented in HK$, which is the Target Group's functional and presentation currency.

(b) Transactions and balances

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or less one non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

2.19 Leases

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

Lease income from operating leases where the Target Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Target Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

2.20 Current and deferred tax

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Target Group's liability for current tax is calculated using tax rates that. have been enacted in substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Target Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Target Group intends to settle its current tax assets and liabilities on a net basis.

2.21 Related parties

For the purpose of these financial statements, related party includes a person and entity as defined below:

(a) A person or a close member of that person's family is related to the Target Group if that person:

(i) is a member of the key management personnel of the Target Group or of a parent of the Target Group;

(ii) has control over the Target Group; or

(iii) has joint control or significant influence over the reporting entity or has significant voting power in it, or

or

For the purpose of these financial statements, related party includes a person and entity as defined below:

(b) An entity is related to the Target Group if any of the following conditions applies:

(i) the entity and the Target Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of a third entity.

(iv) either entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Target Group or an entity related to the Target Group. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a)(i) has significant voting power in the entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. FINANCIAL RISK MANAGEMENT

3.1 Categories of financial instruments

The carrying amounts of financial instruments at the end of the reporting year are as follows:

	Year ended 31 December		
	2024	**2023**	**2022**
	HK$'000	*HK$'000*	*HK$'000*
Financial assets			
At amortised cost:			
– Account and other receivables	61,997	163,205	156,188
– Amounts due from related companies	–	1,074	291
– Cash and bank balances	7,397	7,980	20,800
	69,394	172,259	177,279
Financial liabilities			
At amortised cost:			
– Account and other payables	3,678	16,821	36,756
– Amount due to a shareholder	3,674	32,787	70,340
– Bank borrowings	10,964	58,093	–
	18,316	107,701	107,096

3.2 Fair value estimation

Management has assessed that the fair values of financial assets and liabilities, approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

3.3 Financial risk factors

The Target Group financial instruments comprise of account and other receivables, amounts due from related companies, cash and bank balances, account and other payables, amount due to a shareholder and bank borrowings, which arise directly from its operations.

It is, and has been throughout the Relevant Periods under review, the Target Group's policy that no trading in financial instruments shall be undertaken.

The main risk arising from the Target Group's financial instruments are foreign currency risk, price risk, credit risk, liquidity risk and interest rate risk. These risks are managed by the Target Group's financial management policies and practices described below:

(a) Foreign currency risk

The Target Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in Hong Kong dollars ("**HK$**"), United States dollars ("**US$**") and Renminbi ("**RMB**"). The Target Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Target Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

As at 31 December 2022, 2023 and 2024, if HKS had weakened/strengthened 1 per cent against RMB with all other variables held constant, profit/(loss) after tax for the year would have been HK$10,263, HK$26,505 and HK$94,418 respectively higher/lower, arising mainly as a result of the foreign exchange on bank balances denominated in RMB.

As HK$ is pegged to US$, the Target Group does not expect any significant movements in the HK$/US$ exchange rate.

(b) Price risk

As at 31 December 2022, 2023 and 2024, the Target Group did not hold any financial assets at FVTPL, no price risk is expected.

(c) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Target Group is exposed to credit risk from its operating activities (primarily trade receivables) and firm its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Target Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks with high credit-rating assigned by international credit-rating agencies, for which the Target Group considers to have low credit risk.

The credit risk for receivables from clearing house is considered as not material taking into account the good market reputations and high credit ratings of counterparties.

Account receivables

Account receivables from margin clients are secured by the underlying pledged securities. The maximum exposure equals to the carrying amount of the margin client receivables less the market value of the underlying pledged securities (note 14).

For amounts receivable from cash clients, the Target Group does not hold any collaterals over the amount receivable from the relevant cash clients but it is allowed to dispose of any securities deposited by the cash clients with the Target Group to settle any overdue amounts.

In order to minimise credit risk regarding client receivables, the directors of the Target Group have delegated a team to be responsible for the determination of credit limit for margin clients and the trading limit for cash clients, credit approvals and other monitoring procedures. The credit risk on margin client and cash client receivables is managed through regular monitoring of the outstanding exposures from individual clients, marginable values of collaterals and net realisable values of individual client's securities.

The Target Group's credit risk is primarily attributable to account and other receivables arising from the ordinary course of business of dealing in securities and futures contracts. The management performed individual credit evaluation on all clients including cash and margin clients. In addition, all other receivable balances are monitored on an ongoing basis.

The Target Group applies general approach to measure the ECL on the trade and other receivables and all other financial assets at amortised cost. Under the general approach, financial assets migrate through the three stages based on the change in credit risk since initial recognition: Stage 1 – 12-month ECL (low credit risk assets); Stage 2 – lifetime ECL (not credit impaired assets); and Stage 3 – lifetime ECL (credit impaired assets).

The Target Group's internet credit risk grading assessment comprises the following categories:

Internal credit rating	**Description**	**Accounts receivable**	**Other financial assets**
Low risk	The counterparty has a low risk of default and does not have any past due amounts	12 months ECL or lifetime ECL	12 months ECL
Monitor list	Debtor frequently repays after due dates but usually settle after due date	12 months ECL or lifetime ECL	12 months ECL
Doubtful	There have been significant increases in credit risk initial recognition through information developed internally or external resources	12 months ECL or lifetime ECL – no credit impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit impaired	Lifetime ECL – credit impaired	Lifetime ECL – credit impaired
Write off	There is evidence indicating that the debtor is in severe financial difficulty	Written off	Written off

The Target Group's credit risk exposure of account receivables from cash and margin clients for which an impairment allowance is recognised as follows:

	Year ended 31 December		
	2024	**2023**	**2022**
	HK$'000	*HK$'000*	*HK$'000*
Account receivables:			
Gross carrying amount	109,954	172,511	129,671
Less: Allowance	(51,087)	(27,534)	(12,486)
Net carrying amount	58,867	144,977	117,185

Movement in the loss allowance account for cash and margin client receivable:

	Year ended 31 December		
	2024	**2023**	**2022**
	HK$'000	*HK$'000*	*HK$'000*
At 1 January	27,534	12,486	5,555
Transfer as bad debts	–	(5,048)	–
Impairment loss recognised for the year	23,553	20,096	6,931
At 31 December	51,087	27,534	12,486

Financial assets at amortised cost

All of the Target Group's financial assets at amortised cost other than account receivables are considered to have low credit risk because these debtors have strong capacity to meet their contractual cash flow obligations in the near term. The loss allowance recognised during the year was therefore limited to 12- month expected losses. No loss allowance provision for other financial assets at amortised cost was recognised at 31 December 2022, 2023 and 2024.

(d) Liquidity risk

The Target Group is responsible for its own cash management, including the raising of loans to cover expected cash demands, and to ensure compliance with the Securities and Futures (Financial Resources) Rules at all times. The Target Group's policy is to regularly monitor its liquidity requirement and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long term.

Besides the bank overdraft and bank borrowings, the maturity of the Target Group's financial liabilities as at 31 December 2022, 2023 and 2024 are less than one year.

(e) Interest rate risk

The Target Group's account receivables and account payables bear interests at fixed rates and therefore are subject to fair value interest rate risk.

The Target Group's interest rate risk primarily relates to bank deposits and bank borrowings. The bank borrowings bear interests at variable rates varied with the then prevailing market condition.

As at 31 December 2022, 2023 and 2024, it is estimated that a general increase/decrease of 100-basis point in interest rates, with all other variables held constant, would decrease/increase the Target Group's (loss)/profit after tax and accumulated losses by approximately HK$Nil, HK$501,135 and HK$35,779 respectively.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. The 100-basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting period. The analysis is performed on the same basis for the years ended 2022, 2023 and 2024.

3.4 Capital risk management

The Target Group's objectives when managing capital are to safeguard the Target Group's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders, and to support the Target Group's stability and growth.

The Target Group reviews and manages its capital structure to ensure optimal capital structure and shareholders returns, taking into consideration the future capital requirements of the Target Group and capital efficiency, prevailing and projected profitability and projected operating cash flows. The Target Group will consider providing shareholders with a dividend when there is sufficient surplus cash or cash equivalents.

The Target Company is an investment company and its subsidiary is licensed with Securities and Futures Commission ("**SFC**") for the business it operates in. The subsidiary is subjected to liquid capital requirement under Securities and Futures (Financial Resources) Rules ("**HKSF(FR)R**") adopted by the SFC. Under the HKSF(FR)R, the subsidiary must maintain its liquid capital (assets and liabilities adjusted as determined by HKSF(FR)R in excess of HK$3,000,000 or 5% of its total adjusted liabilities, whichever is higher. The required information is filed with the SFC on a monthly basis. The Target Group also maintained the minimum paid-up share capital of not less than HK$10,000,000 imposed by the SFC.

The directors of the Target Group monitor the capital structure of the Target Group and ensure compliance with the above capital requirements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Target Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

The estimates and assumptions that have a significant effect of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment of account receivables

The directors of the Target Group estimate the amount of impairment loss for ECL on account receivables based on the credit risk of account receivables. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flows that are due to the Target Group in accordance with the contract and all the cash flows that the Target Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

(b) Property, plant and equipment and depreciation

The Target Group determines the estimated useful lives, residual values and related depreciation charges for the Target Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Target Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned.

5. REVENUE

Revenue and other income are recognised during the years as follows:

	Year ended 31 December		
	2024	**2023**	**2022**
	HK$'000	*HK$'000*	*HK$'000*
Revenue from contracts with customers			
Services transferred at a point in time:			
Commission income from dealing in securities	11,016	11,316	10,275
Commission income from IPO	42	28	449
Commission income from dealing in bonds	288	133	15
Commission income from dealing in future contracts	1,289	557	21
Interest income from cash and margin clients	8,244	15,507	13,503
	20,879	27,541	24,263

6. OTHER INCOME

	Year ended 31 December		
	2024	**2023**	**2022**
	HK$'000	*HK$'000*	*HK$'000*
Bank interest income	12,020	10,654	2,299
Handling fee income	949	1,108	944
Interest income from broker and clearing house	5	1,607	3,127
Sundry income	–	83	365
	12,974	13,452	6,735

7. OPERATING (LOSS)/PROFIT

Operating (loss)/profit has been arrived at after (crediting) / charging:

	Year ended 31 December		
	2024	**2023**	**2022**
	HK$'000	*HK$'000*	*HK$'000*
Auditor's remuneration	300	210	210
Depreciation	73	190	395
Exchange (gain)/loss, net	(697)	(907)	123
Impairment loss on account receivables, net	23,553	20,096	6,931
Loss on disposal of property, plant and equipment	37	–	–
Written off of other receivables	83	–	–
Staff costs (including directors' remuneration)			
– Salaries, bonuses and allowances	7,449	9,964	9,713
– MPF contribution	201	260	271

8. FINANCE COSTS

	Year ended 31 December		
	2024	**2023**	**2022**
	HK$'000	*HK$'000*	*HK$'000*
Interest paid to clients	1,522	1,048	–
Bank overdraft interest	730	126	7
Bank loan interest	1,406	2,657	794
	3,658	3,831	801

9. DIRECTORS' REMUNERATION

During the relevant years, the directors did not receive any remuneration from the Target Company. The director of the subsidiary has received the remuneration as disclosed pursuant to section 383(1) of the Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Director) Regulation is as follows:

	Year ended 31 December		
	2024	**2023**	**2022**
	HK$'000	*HK$'000*	*HK$'000*
Fee			
Other emoluments	1,100	1,100	1,200
MPF contribution	17	17	18
	1,117	1,117	1,218

10. INCOME TAX EXPENSE

The Target Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Target Group are domiciled and operate.

The Target Company did not generate any income and not subject to Hong Kong income tax.

No provision for Hong Kong Profits Tax has been made as the Target group's subsidiary did not derive any assessable profit for the Relevant Periods.

The reconciliation between the income tax expense and (loss) / profit before tax multiplied by the Hong Kong Profits Tax rate is as follows:

	Year ended 31 December		
	2024	**2023**	**2022**
	HK$'000	*HK$'000*	*HK$'000*
(Loss)/Profit before tax	(12,245)	(5,693)	1,080
Income tax at applicable tax rate of 16.5%	(2,020)	(939)	178
Tax effect of income not taxable	(1,992)	(1,890)	(379)
Tax effect of expenses not deductible	26	31	86
Unrecognised tax loss and others	3,986	2,798	115
Tax expense for the year	–	–	–

11. PROPERTY, PLANT AND EQUIPMENT

31 December 2022

	Furniture and fixtures	**Office equipment**	**Leasehold improvement**	**Motor vehicles**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
COST					
At 1 January 2022	254	3,354	1,106	805	5,519
Additions	–	26	–	–	26
At 31 December 2022	254	3,380	1,106	805	5,545
ACCUMULATED DEPRECIATION AND IMPAIRMENT					
At 1 January 2022	253	3,110	1,106	376	4,845
Charge for the year	1	233	–	161	395
At 31 December 2022	254	3,343	1,106	537	5,240
NET CARRYING VALUES					
At 31 December 2022	–	37	–	268	305

31 December 2023

	Furniture and fixtures *HK$'000*	Office equipment *HK$'000*	Leasehold improvement *HK$'000*	Motor vehicles *HK$'000*	Total *HK$'000*
COST					
At 1 January 2023	254	3,380	1,106	805	5,545
Additions	–	122	–	–	122
At 31 December 2023	254	3,502	1,106	805	5,667
ACCUMULATED DEPRECIATION AND IMPAIRMENT					
At 1 January 2023	254	3,343	1,106	537	5,240
Charge for the year	–	29	–	161	190
At 31 December 2023	254	3,372	1,106	698	5,430
NET CARRYING VALUES					
At 31 December 2023	–	130	–	107	237

31 December 2024

	Furniture and fixtures *HK$'000*	Office equipment *HK$'000*	Leasehold improvement *HK$'000*	Motor vehicles *HK$'000*	Total *HK$'000*
COST					
At 1 January 2024	254	3,502	1,106	805	5,667
Disposal	–	–	–	(805)	(805)
At 31 December 2024	254	3,502	1,106	–	4,862
ACCUMULATED DEPRECIATION AND IMPAIRMENT					
At 1 January 2024	254	3,372	1,106	698	5,430
Charge for the year	–	33	–	40	73
Written back	–	–	–	(738)	(738)
At 31 December 2024	254	3,405	1,106	–	4,765
NET CARRYING VALUES					
At 31 December 2024	–	97	–	–	97

12. TRADING RIGHTS

	Year ended 31 December		
	2024	**2023**	**2022**
	HK$'000	*HK$'000*	*HK$'000*
Cost	960	960	960

The Target Group's eligibility right to trade on or through the Stock Exchange is considered to have indefinite life, which is not amortised but is reviewed annually for impairment and is reviewed for impairment whatever events or changes in circumstances indicate the carrying amount may not be recoverable. The respective recoverable amount of the cash generating unit relating to brokerage business, whereby these trading rights are reallocated, exceeds the carrying amount. Accordingly, there is no impairment of the trading rights as at 31 December 2022, 2023 and 2024.

13. OTHER ASSETS

	Year ended 31 December		
	2024	**2023**	**2022**
	HK$'000	*HK$'000*	*HK$'000*
Statutory deposit and deposit with stock exchange			
– Compensation fund deposit	50	50	50
– Fidelity fund deposit	50	50	50
– Stamp duty deposit	75	150	150
Hong Kong Securities Clearing Company Limited			
– Guarantee fund	1,500	50	50
– Admission fee	50	50	50
	1,725	350	350

14. ACCOUNT AND OTHER RECEIVABLES

	Year ended 31 December		
	2024	**2023**	**2022**
	HK$'000	*HK$'000*	*HK$'000*
Account receivables from cash clients	4,290	2,712	2,204
Account receivables from margin clients	105,664	169,799	127,467
Less: impairment loss allowance	(51,087)	(27,534)	(12,486)
	58,867	144,977	117,185
Account receivable from clearing house	266	12,649	35,174
Account receivable from brokers	1,444	3,700	1,206
Deposits, prepayment and other receivable	1,420	1,879	2,623
	61,997	163,205	156,188

In determining the recoverability of account receivables, the Target Group considers any change in the credit quality of the account receivables from the date credit was initially granted up to the date of statement of financial position. The concentration of credit risk is low due to the number of clients are numerous. Accordingly, the directors of the Target Group believe that there is no further provision required in excess of the allowance for impairment.

At as 31 December 2022, 2023 and 2024, the ageing analysis of account receivables from cash clients were as follows:

	Year ended 31 December		
	2024	**2023**	**2022**
	HK$'000	*HK$'000*	*HK$'000*
Current	1,740	154	49
Overdue:			
Within 30 days	–	2,558	2,155
Over 30 days	2,550	–	–
	4,290	2,712	2,204

At as 31 December 2022, 2023 and 2024, the market value of collateral over the margin client receivables held by the Target Group was HK$739,784,943, HK$933,138,266 and HK$766,740,322 respectively.

15. AMOUNTS DUE FROM RELATED COMPANIES

Amounts due from related companies disclosed pursuant to the Companies Ordinance is as follows:

		Year ended 31 December		
Name	**Common director**	**2024**	**2023**	**2022**
		HK$'000	*HK$'000*	*HK$'000*
Well Link Asset Management Limited	TSIM Ying Wah*	–	166	291
Well Link Financial Service Limited	TSIM Ying Wah*	–	908	–
		–	1,074	291

* *formerly known as ZHAN Mei qing*

The amounts due are unsecured, interest free and no fixed term of repayment.

16. CASH AND BANK BALANCES

	Year ended 31 December		
	2024	**2023**	**2022**
	HK$'000	*HK$'000*	*HK$'000*
Cash at bank – segregated accounts	–	–	–
Cash at bank – general accounts	7,386	7,969	20,789
Cash on hand	11	11	11
	7,397	7,980	20,800

The Target Group maintains segregated accounts with authorised institutions to hold client money in the normal course of business.

As at 31 December 2022, 2023 and 2024, client money maintained in segregated accounts not otherwise dealt with in the financial statements amounted to HK$282,669,042, HK$236,705,910 and HK$394,562,941.

17. ACCOUNT AND OTHER PAYABLES

	Year ended 31 December		
	2024	**2023**	**2022**
	HK$'000	*HK$'000*	*HK$'000*
Account payable on securities dealing	45	14,235	32,865
Accruals and other payable	3,633	2,586	3,891
	3,678	16,821	36,756

All of the account and other payables are expected to be settled within one year are repayable on demand.

18. AMOUNT DUE TO A SHAREHOLDER

The amount is unsecured, interest-free and no fixed term of repayment.

19. BANK BORROWINGS

	Year ended 31 December		
	2024	**2023**	**2022**
	HK$'000	*HK$'000*	*HK$'000*
Bank overdrafts	10,964	18,093	–
Bank loans – secured	–	40,000	–
	10,964	58,093	–
Analysed into:			
Bank loans and overdrafts repayable:			
Within one year or on demand	10,964	58,093	–

All the bank borrowings are repayable within one year and classified as current liabilities. The carrying amount of the bank borrowings are denominated in Hong Kong dollars.

As at 31 December 2023 and 2024, bank overdraft is secured by charge over the properties of shareholders of the Target Group, and personal guarantee and indemnity provided by shareholders to the extent of HK$50,000,000.

The bank loans as at 31 December 2023 are interest-bearing. Securities collateral deposited by the Target Group's margin clients was re-pledged to banks to secure loan facilities. Such facilities were utilised to the extent of HK$80,000,000.

20. SHARE CAPITAL

	Number of ordinary shares of US$1 each	Nominal value of ordinary shares *HK$'000*
Issued and fully paid:		
At 1 January 2022, at 31 December 2022, at 31 December 2023, and at 31 December 2024	1	–

The Target Group's objectives when managing capital are to safeguard the Target Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Target Group is a regulated entity under the Securities and Futures Commission of Hong Kong and subject to the respective minimum capital and liquid capital requirements. The Target Group monitors the financial status regularly to ensure that the Target Group is compliance with related regulations.

21. RESERVES

The amounts of Target Group's reserves and the movements therein for the Relevant Periods are presented in the combined statement of changes in equity on page II-6 to the Historical Financial Information.

For the purpose of the preparation of the combined statement of financial position, the balances of the other reserves at 31 December 2022, 2023 and 2024 represent the paid up capital of the subsidiary attributable to the shareholder prior to the business acquisition under common control.

22. BANK FACILITIES

As at 31 December 2022, 2023 and 2024, the Target Group had a revolving term loan and general facility of HK$130,000,000 which are secured by the properties owned by the shareholders of the Target Group and margin clients re-pledged securities with market value HK$40,320,000, HK$55,878,000 and HK$109,116,340 respectively. As at 31 December 2022, 2023 and 2024, the Target Group had available undrawn banking facilities of HK$13,000,000, HK$70,000,000 and HK$11,000,000.

23. RETIREMENT BENEFITS PLANS

The Target Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Target Group, in funds under the control of trustees. The Target Group contributes 5% of relevant payroll costs to the Scheme, which contribution is matched by employees.

The amount of employer's contribution to the schemes by the Target Group in respect of the years ended 31 December 2022, 2023 and 2024 was HK$271,129, HK$260,165 and HK$200,553 respectively.

24. RELATED PARTY TRANSACTIONS

(a) In addition to those related party transactions and balances disclosed elsewhere in the financial statements, the Target Group had the following transactions with its related parties during the year:

	Year ended 31 December		
	2024	**2023**	**2022**
	HK$'000	*HK$'000*	*HK$'000*
Brokerage income received from related parties	1,380	800	20
Management fee paid to a related company	1,453	1,736	1,265

(b) The balances with related parties at the end of the reporting period are as follows:

	Year ended 31 December		
	2024	**2023**	**2022**
	HK$'000	*HK$'000*	*HK$'000*
Related parties included in cash client receivables	1,735	152	47
Related parties included in margin client receivables	4,421	7,018	–
Related parties included in cash client payables	24,699	6,736	1,733
Related parties included in margin client payables	6	166	–

(c) Included in cash and bank balances as at 31 December 2022, 2023 and 2024 is an amount of HK$4,492,812, HK$3,397,748 and HK$2,380,892 respectively deposited in a bank which is controlled by the shareholders of the Target Group.

25. DIVIDENDS

No dividends have been paid or declared by the Target Group during the Relevant Periods.

26. CONTINGENT LIABILITIES

The Target Group did not have significant contingent liabilities as at 31 December 2024.

27. EVENT AFTER THE REPORTING PERIOD

No audited financial statements have been prepared by the Target group and its subsidiary in respect of any period subsequent to 31 December 2024.

On 22 April 2025, the Target Company has increased its shareholding in Well Link Securities Limited from 74% to 100%. Thus, Well Link Securities Limited has became a wholly owned subsidiary of the Target Company.

Set out below is the management discussion and analysis of the Target Group for the financial years ended 31 December 2022, 2023 and 2024 (the "**Reporting Period**") which is prepared based on the financial information of the Target Group as set out in Appendix II to this circular.

BUSINESS REVIEW

The Target Company is held as to 95% by Mr. Xu Chujia and 5% by Ms. Zhang Meijuan. The Target Company is an investment holding company and holds 100% of Well Link Securities Limited. Well Link Securities Limited carries on Type 1 (Dealing in Securities) and Type 2 (Dealing in Futures) activities regulated under the SFO, covering stocks, futures, options, bonds and funds products.

FINANCIAL REVIEW

Revenue

During the Reporting Period, the revenue of the Target Group was mainly derived from: i) brokerage income from the dealing of securities and futures contracts; and ii) interest income from margin financing activities. Revenue in 2022, 2023 and 2024 were HK$24.3 million, HK$27.5 million and HK$20.9 million, respectively. The decline in revenue in 2024 of HK$6.7 million in comparison to 2023 was mainly derived from the reduction of interest income from margin clients following a lower net margin receivable amount. This was mainly caused by a general lower appetite by our clients to borrow margin in a higher interest environment and the Target Group's prudent approach to not accrue interest over certain margin clients which were overdue and impaired.

Other income

During the Reporting Period, other income of the Target Group was mainly derived from bank interest income and handling fees. Other income in 2022, 2023 and 2024 were HK$6.7 million, HK$13.5 million and HK$13.0 million, respectively. The decline in other income in 2024 of HK$0.5 million in comparison to 2023 was mainly derived from the average lower interest rate in the market in 2024.

Administrative and other operating expenses

During the Reporting Period, administrative and other operating expenses mainly included staff costs and other IT related costs. Administrative and other operating expenses in 2022, 2023 and 2024 were HK$22.2 million, HK$22.8 million and HK$18.9 million, respectively. The decline in administrative and other operating expenses in 2024 of HK$3.9 million in comparison to 2023 was mainly derived from lower staff costs following the streamlining of business operations.

Impairment loss on account receivables, net

During the Reporting Period, the impairment loss on account receivables were mainly expected credit loss provisions on cash and margin receivables. The Target Group applies the simplified approach to provide for expected credit loss prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss for accounts receivables arising from ordinary course of business. To measure the expected credit losses, these accounts receivables have been based on past due status, historical credit loss experience based on the past default experience of the Group and are adjusted with forward-looking information. The net impairment loss on account receivables in 2022, 2023 and 2024 were HK$6.9 million, HK$20.1 million and HK$23.6 million, respectively. No account receivables in 2022, 2023 and 2024 were due from connected persons of the Company. The increase in impairment loss on account receivables in 2024 of HK$3.5 million was mainly the result of decline of value of securities held as collateral under certain margin accounts.

Finance costs

During the Reporting Period, finance costs were mainly derived from interest costs from bank loans obtained from a certain authorized financial institution in Hong Kong which backs the working capital of the Target Group to extend margin loans or to serve short-term settlement requirements. The finance costs in 2022, 2023 and 2024 were HK$0.8 million, HK$3.8 million and HK$3.7 million, respectively. The decline in finance costs in 2024 of HK$0.1 million was mainly the result of lower average loan balance during the year.

Net profit/(loss)

During the Reporting Period, the Target Group generated net profit of HK$1.1 million, net loss of HK$5.7 million and net loss of HK$12.2 million in 2022, 2023 and 2024, respectively. Although the Target Group was loss making for 2023 and 2024, around HK$20.1 million and HK$23.6 million respective loss was derived from expected credit loss provision on certain cash and margin receivables. Following the recognition of the provisions, and excluding subsequent settlements, the net book values of these cash and margin receivables as at 31 December 2024 were reduced to approximately HK$7.2 million with an average loan-to-value ratio of 33%, which suggest reduced margin exposure going forward. Excluding the provisions, the net loss of the Target Company would become net profit of HK$14.4 million and HK$11.4 million for 2023 and 2024, respectively.

Significant Investments, Material Acquisitions and Disposals

During the Reporting Period, the Target Group had neither any significant investments nor any material acquisitions and disposals of subsidiaries, associates and joint ventures. As of the Latest Practicable Date, the Target Group currently has no plan on significant investments or purchase of capital assets.

Gearing Ratio

As at 31 December 2022, 2023 and 2024, the gearing ratio of the Target Group was 59.9%, 62.0% and 25.4%, respectively. The gearing ratio is calculated as the total liabilities divided by the total assets of the Target Group at the end of each relevant period.

Capital Structure

The assets of the Target Group primarily consist of account and other receivables and cash and bank balances. As at 31 December 2022, 2023 and 2024, the total assets of the Target Group were HK$178.9 million, HK$173.8 million, and HK$72.2 million, respectively.

Liquidity and Financial Resources

Adhering to the steady financial policy, the Target Company has maintained healthy capital liquidity throughout the Reporting Period. As at 31 December 2022, 2023 and 2024, the cash and bank balances of the Target Group were approximately HK$20.8 million, HK$8.0 million and HK$7.4 million, respectively. As at 31 December 2022, 2023 and 2024, the total liabilities of the Target Group were HK$107.1 million, HK$107.8 million and HK$18.3 million, respectively. The liabilities of the Target Group mainly include account and other payables, amount due to a shareholder and bank borrowings. As at 31 December 2024, the interest-bearing bank borrowings of the Target Group were approximately HK$11.0 million. The bank borrowings carry fixed interest rates based on the Hong Kong prime rate or HIBOR rates.

Contingent Liabilities and Pledge of Assets

During the Reporting Period, the Target Group had no significant contingent liabilities. During the Reporting Period, the Target Group had no pledge of assets, saved for the repledging of certain margin client securities to an authorized financial institution to obtain a bank loan.

Foreign Exchange Risk

The assets, liabilities and business transactions of the Target Group were mainly denominated in HK$, USD and RMB. During the Reporting Period, the Target Group did not have any financial instruments to hedge against foreign exchange risks.

Capital Expenditure

During the Reporting Period, the Target Group had no significant capital expenditure.

Capital Commitment

During the Reporting Period, the Target Group had no significant capital commitment.

Human Resources

The total number of employees of the Target Group as at 31 December 2022, 2023 and 2024 were 20, 17 and 14, respectively. Remuneration for employees of the Target Company was determined based on their job nature, personal performance and the market trends. Remuneration for employees of the Target Group mainly includes wages and bonuses. The total staff costs of the Group for 2022, 2023 and 2024 were HK$9.7 million, HK$10.0 million and HK$7.4 million, respectively.

The following is the text of a report received from the reporting accountants, Prism Hong Kong Limited, Certified Public Accountants, Hong Kong, in respect of the Group's pro forma financial information for the purpose in this listing document.

Prism

A. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To The Board of Directors
Well Link Securities Holdings Limited
Unit 13–15, 11/F.,
China Merchants Tower, Shun Tak Centre,
168–200 Connaught Road Central, Hong Kong

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of **Well Link Securities Holdings Limited** (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information ("**Unaudited Pro Forma Financial Information**") consists of the unaudited pro forma consolidated statement of assets and liabilities as at 31 December 2024 and related notes as set out on pages IV-4 to IV-7 of Appendix IV to the circular dated 30 June 2025 (the "**Circular**") in connection with the proposed acquisition of the entire issued share capital of the Target Company by the Company, which constitutes a major and connected transaction (the "**Proposed Acquisition**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages IV-4 to IV-7 of Appendix IV to the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Proposed Acquisition on the Group's financial position as at 31 December 2024 as if the Proposed Acquisition had taken place at 31 December 2024. As part of this process, information about the Group's consolidated assets and liabilities has been extracted by the Directors from the Group's consolidated financial statements for the year ended 31 December 2024 as set out in the published annual report.

Directors' Responsibility for the Unaudited pro forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG7**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our Independence and Quality Management

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management ("**HKSQM**") 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 31(7) of Chapter 7 of the GEM Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 31 of Chapter 7 of the GEM Rules and with reference to AG7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Proposed Acquisition on unadjusted financial information of the Group as if the Proposed Acquisition had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Proposed Acquisition at 31 December 2024 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and

- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Rules.

Prism Hong Kong Limited
Certified Public Accountants
Fung Shing Bun Spencer
Practising Number: P07451
Hong Kong
30 June 2025

B. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The following unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group (the "**Unaudited Pro Forma Financial Information**") has been prepared by the directors of the Company (the "**Directors**"), in accordance with paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG7**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), for the purpose of illustrating the effects of the proposed acquisition of the entire issued share capital of the Target Company (the "**Proposed Acquisition**") on the Group's assets and liabilities as at 31 December 2024 as if the Proposed Acquisition had been completed on 31 December 2024.

The Unaudited Pro Forma Financial Information is prepared based on (i) the audited consolidated statement of financial position of the Group as at 31 December 2024 which has been extracted from the published annual report of the Company for the year ended 31 December 2024; (ii) the audited combined statement of financial position of the Target Group as at 31 December 2024 which have been extracted from the accountants' reports thereon set out in Appendix II to this Circular, after making pro forma adjustments relating to the Proposed Acquisition that are (i) directly attributable to the Proposed Acquisition; and (ii) factually supportable, as if the Proposed Acquisition had been completed as at 31 December 2024.

The Unaudited Pro Forma Financial Information has been prepared by the Directors based on a number of assumptions, estimates, uncertainties for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Enlarged Group. Accordingly, the Unaudited Pro Forma Financial Information does not purport to describe the financial position of the Enlarged Group that would have been attained had the transaction been completed on 31 December 2024 or any future date, nor purport to predict the future financial position of the Enlarged Group.

The Unaudited Pro Forma Financial Information should be read in conjunction with the historical financial information of the Group, as incorporated by reference in Appendix I to this Circular, and that of the Target Company, as set out in Appendix II to this Circular, and other financial information included elsewhere in this Circular.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES OF THE ENLARGED GROUP AS AT 31 DECEMBER 2024

	The Group as at 31 December 2024	The Target Group as at 31 December 2024	Pro-forma adjustments		The Enlarged Group as at 31 December 2024
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 4)*	
ASSETS					
Non-current assets					
Property, plant and equipment	62	97	–	–	159
Right-of-use assets	70	–	–	–	70
Intangible assets	1,030	960	–	–	1,990
Statutory deposits	3,018	1,725	–	–	4,743
Deferred tax assets	5,099	–	–	–	5,099
Total non-current assets	9,279	2,782	–	–	12,061
Current assets					
Accounts receivables arising from ordinary course of business	47,040	60,577	–	–	107,617
Deposits, prepayments and other receivables	1,425	1,420	–	–	2,845
Loan and interest receivables	17,119	–	–	–	17,119
Tax recoverable	232	–	–	–	232
Cash and cash equivalents	13,898	7,397	–	–	21,295
Total current assets	79,714	69,394	–	–	149,108
TOTAL ASSETS	88,993	72,176	–	–	161,169

	The Group as at 31 December 2024	The Target Group as at 31 December 2024	Pro-forma adjustments		The Enlarged Group as at 31 December 2024
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 4)*	
LIABILITIES					
Current liabilities					
Accounts payables arising from ordinary course of business	3,592	45	–	–	3,637
Amount due to a shareholder	30,000	3,674	–	–	33,674
Other payables and accruals	2,737	3,633	–	760	7,130
Lease liabilities	76	–	–	–	76
Bank borrowings	–	10,964	–	–	10,964
Total current liabilities	36,405	18,316	–	760	55,481
Non-current liabilities					
Bonds	–	–	17,904	–	17,904
TOTAL LIABILITIES	36,405	18,316	17,904	760	73,385
NET ASSETS (LIABILITIES)	52,588	53,860	(17,904)	(760)	87,784

Notes:

1. The amounts are extracted from the audited consolidated statement of financial position of the Group as at 31 December 2024 as set out in the published annual report of the Group for the year ended 31 December 2024.

2. The amounts are extracted from the audited combined statement of financial position of the Target Group as at 31 December 2024 in Appendix II to this Circular.

3. Pursuant to the sales and purchases agreement dated 7 May 2025, the Group has conditionally agreed to acquire and the Vendor conditionally agreed to sell the entire issued share capital of the Target Company in accordance with the terms and conditions of the Agreement at the consideration of HK$35,000,000.

   The Company shall settle the consideration by issuing the bonds with a principal amount of HK$35,000,000 to the Vendor ("**Consideration Bonds**"). Further details of which are set out in the subsection headed "Consideration" in the section headed "Letter from the Board" in this Circular.

   The Consideration Bonds have a redemption option which grants the Company the right from time to time to redeem all or part of the outstanding Consideration Bonds. The Consideration Bonds also have contain a profit guarantee that if the consolidated profit after tax for the year ending 31 December 2025 for the Target Company shall be loss making, the Consideration Bonds shall be cancelled and the Company shall not be obligated to pay any consideration for the Sale Share. Details of the terms of the Convertible Bonds are set out in the subsection headed "Consideration" in the section headed "Letter from the Board" in this Circular.

The fair value of the Consideration Bonds of approximately HK$17,904,000 were valued by the management of the Company as if the issuance of the Consideration Bonds had taken place on 31 December 2024. The Consideration Bonds is classified as non-current liabilities as the maturity date of the Consideration Bonds exceed twelve months after 31 December 2024.

The fair value of the Consideration Bonds is measured by a valuation technique which is subject to estimates and judgements and may be significantly different as at the Completion Date.

As the Group and the Target Group are controlled by Mr. Xu Chujia and Ms. Zhang Meijuan as concert parties together before and after the Proposed Acquisition, the Group will account for the Proposed Acquisition as a business combination under common control using the principles of merger accounting in accordance with the Accounting Guideline 5 Merger Accounting for Common Control Combinations issued by the HKICPA. Under the principles of merger accounting, the consolidated financial statements incorporate the financial statement items of the acquired entities or businesses in which the common control combination occurs from the date when the acquired entities or businesses first come under the control of the controlling party. The net assets of the acquired entities or businesses are consolidated using the existing book values from the controlling party's perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the common control combination. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the contribution of the controlling party's interest. All differences between the cost of acquisition (fair value of consideration paid) and the amounts at which the assets and liabilities are recorded will be recognised directly in equity as part of the merger reserve. Proposed Acquisition costs are expensed as incurred.

4. For the purpose of the Unaudited Pro Forma Financial Information, the direct expenses and other professional services related to the Proposed Acquisition are estimated to be approximately HK$760,000. This adjustment will not have continuing effect on the Enlarged Group.

5. Apart from the Proposed Acquisition, no other adjustments have been made to the Unaudited Pro Forma Financial Information of the Enlarged Group to reflect any trading results or other transactions of the Enlarged Group entered into subsequent to 31 December 2024.

6. Subsequent to 31 December 2024, the directors of the Target Company or its subsidiaries have not recommended any dividend.

VALUATION OF THE FAIR VALUE OF 100% EQUITY INTEREST IN SEA AND ALPINE COMPANY LIMITED

In accordance with your instructions, we have undertaken a valuation on behalf of Well Link Securities Holdings Limited (the "**Company**") to determine the fair value ("**Fair Value**", to be defined below) of 100% equity interest ("**Equity**") in Sea and Alpine Company Limited (the "**Target Company**") as at 31 March 2025 ("**Valuation Date**").

The Target Company is principally engaged in the business of providing comprehensive and professional brokerage services, which cover diversified securities, margin financing transactions, and other relevant businesses.

The purpose of this valuation is to express an independent opinion of the Fair Value of the Target Company as at the Valuation Date for circular reference purpose. The valuation result should not be construed to be a fairness opinion, a solvency opinion or an investment recommendation. It is inappropriate to use our valuation report for purpose other than its intended use or by third parties. These third parties should conduct their own investigation and independent assessment of captioned subjects.

We relied upon completeness, accuracy and fair representation of operational, financial information and business plans in relation to the business provided by Management. The fair value of the equity of the Target Company is subject to a number of assumptions concerning historical financial information and its current financial position. To the extent that any of these assumptions or facts changed, the result of the valuation would be changed accordingly.

STANDARD OF VALUE

We will conduct the valuation exercises in accordance with International Valuation Standards (IVS) and provide our opinion of values in formal reports. According to IVS, our opinion of the Fair Value is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

The valuation will be prepared in accordance with IVS as published by International Valuation Standards Council.

PREMISE OF VALUE

Premise of value is an assumption regarding the most likely set of transaction circumstances that may be applicable to the subject valuation such as going concern or liquidation.

A going concern value represents the value of a business enterprise that is expected to continue to operate into the future. A liquidation value represents the value of the business on the premise that all assets of the enterprise will be disposed on a piecemeal basis.

This report is prepared using the premise that the subject company is a going concern, which presumes that the subject business enterprise will continue to operate into the future.

FINANCIAL OVERVIEW

Based on the draft unaudited financial statements, the Target Company has a net revenue of HK$20,879,000, and a loss before tax of HK$12,245,000 for the year ended 31 December 2024.

The statement of financial position of the Target Company is summarized in the below table.

Consolidated Statement of Financial Position at 31 December 2024

	Book Value
	HK$'000
NON-CURRENT ASSETS	
Property, plant and equipment	97
Trading rights	960
Other assets	1,725
Total non-current assets	2,782
CURRENT ASSETS	
Account and other receivables	61,999
Amounts due from related companies	–
Amount due from a shareholder	–
Cash and bank balances	7,395
Total current assets	69,394

	Book Value
	HK$'000
CURRENT LIABILITIES	
Account and other payables	3,678
Amount due to a shareholder	3,674
Bank borrowings	10,964
Total current liabilities	18,316
NET CURRENT ASSETS	51,708
TOTAL ASSETS LESS CURRENT LIABILITIES	53,860
Net assets	53,860

Per management, all assets and liabilities are considered operating in nature.

ECONOMIC OVERVIEW

The past year has been characterized by volatility and uncertainty. Politically, the Russia-Ukraine conflict has intensified, and ongoing tensions in the Middle East show no signs of resolution. These disruptions have impacted global supply chains, affecting the recovery of economic activities and significantly increasing inflation. Following his victory in the 2024 U.S. presidential election, President Trump has engaged in foreign policies such as increasing tariffs on China and engaging in negotiations with relevant countries regarding the Panama Canal and Greenland issues, further adding to geopolitical uncertainty.

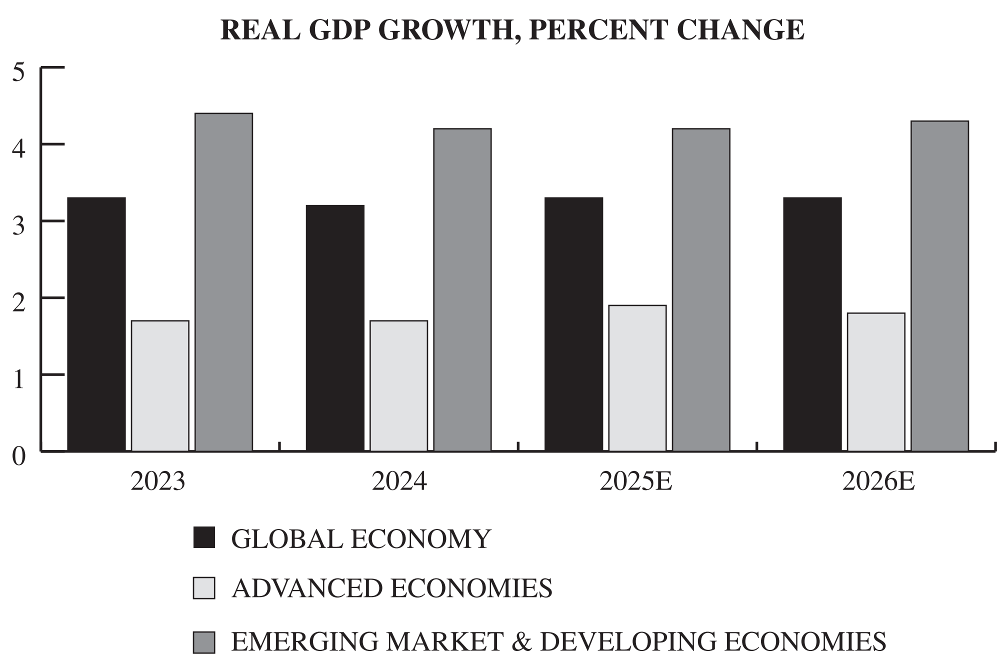
Economically, countries are experiencing varying degrees of recovery in the post-COVID era. The global economy is exhibiting a gradual recovery trajectory. Inflationary pressures have eased, the labor market remains resilient overall, and trade conditions are steadily improving. Projections for 2025 suggest that the global economy will continue to maintain moderate growth. According to the World Economic Outlook Report released by the International Monetary Fund (IMF) on January 17, 2025, the global GDP growth rate for 2024 was 3.2%, with a projected growth rate of 3.3% for both 2025 and 2026. However, growth drivers vary significantly across different economies.

In developed economies, monetary policies have become more cautious. After reducing interest rates by a cumulative 100 basis points by September 2024, the Federal Reserve maintained the benchmark interest rate at 4.25% - 4.5% as of March 2025. The European Central Bank (ECB) further decreased rates by 25 basis points to 2.50% in March 2025, yet additional cuts may be constrained by Germany's fiscal stimulus measures. The Bank of Japan continues to implement an ultra-loose policy, with the Japanese yen facing persistent depreciation pressure.

Emerging markets are serving as the main engines of growth. In 2024, China's GDP increased by 4.8%, driven by a rebound in consumption and exports, stimulating domestic demand. Policy priorities have shifted towards "high-quality development" and "high-level opening-up". Regions such as India and Southeast Asia are experiencing remarkable growth, emerging as key beneficiaries of the global supply chain realignment.

Nonetheless, geopolitical tensions pose risks that could elevate energy prices. The resurgence of trade protectionism has slowed the growth of global trade volume to 2.5%, and the prolonged high-interest-rate environment is exacerbating debt risks in emerging markets.

Chart 1 – Real GDP Growth Rate %

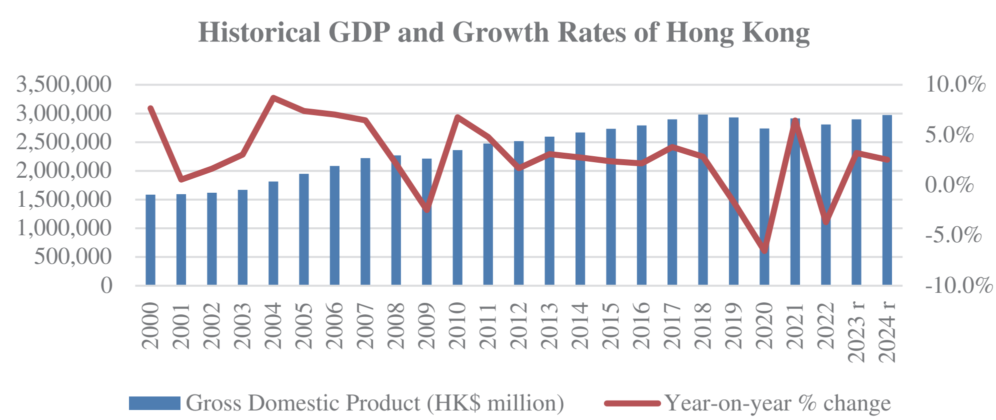


*Source: International Monetary Fund ("**IMF**")*

As the Target Company operates mainly within Hong Kong and China, its business is influenced by the economic conditions and market fluctuations in Hong Kong. We reviewed Hong Kong's economic condition where the Target Company will derive its future income.

Despite the recent geopolitical instability, trade frictions, tariff barriers, and high global interest rates increasing financing costs, Hong Kong's economy has steadily developed over the past year. The national economy has progressed steadily with supportive policies for Hong Kong in financial cooperation, trade facilitation, and cultural exchange, boosting the local economy. The Hong Kong Government has also introduced measures to stimulate the economy, such as financial subsidies and simplifying business approvals. The U.S. began cutting interest rates in mid-September, reducing borrowing costs and encouraging investment and consumption. These factors have supported various economic sectors, leading to Hong Kong's moderate growth of 2.5% last year and mild inflation.

Chart 2 – Historical GDP and Growth Rates of Hong Kong



*Source: Census and Statistics Department ("**C&SD**")*

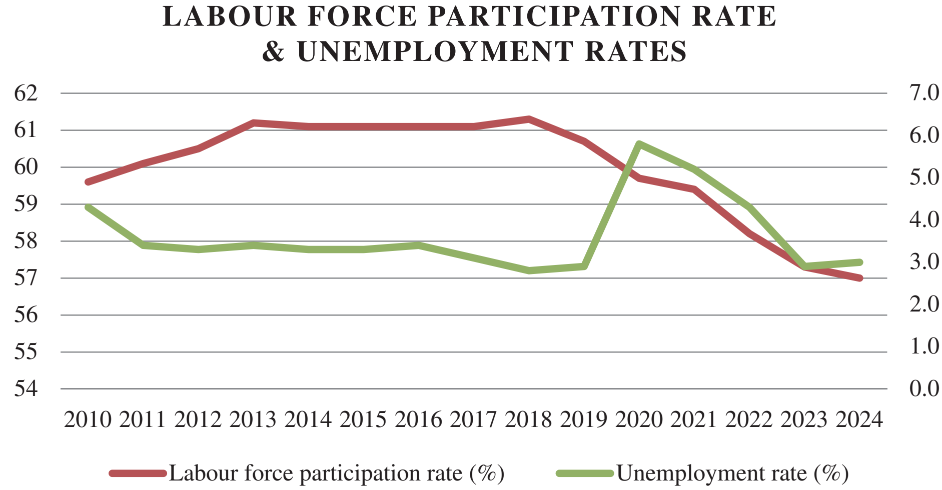
Table 1 – Composite Consumer Price Index of Hong Kong

		Composite Consumer Price Index			
		Index	Year-on-year % change	Index	Year-on-year % change
Year	**Month**	**2023**		**2024**	
2023/2024	Jan	104.8	+2.4	106.6	+1.7
	Feb	104.9	+1.7	107.1	+2.1
	Mar	105.0	+1.7	107.1	+2.0
	Apr	105.2	+2.1	106.4	+1.1
	May	105.0	+2.0	106.2	+1.2
	Jun	105.2	+1.9	106.7	+1.5
	Jul	105.2	+1.8	107.8	+2.5
	Aug	105.2	+1.8	107.8	+2.5
	Sep	105.6	+2.0	107.9	+2.2
	Oct	106.7	+2.7	108.1	+1.4
	Nov	106.6	+2.6	108.1	+1.4
	Dec	106.7	+2.4	108.2	+1.4

*Source: Census and Statistics Department (“**C&SD**”)*

The Hong Kong employment market serves as a critical barometer of the local economy’s resilience and structural challenges. As of the fourth quarter of 2024, the overall unemployment rate remained at a low of 3.1%, a significant drop from the pandemic peak of 6.4% in February 2020, indicating a gradual stabilization driven by consumption recovery, and government employment support policies. However, the job market exhibits a stark “two-speed” divide across industries: high-end sectors such as finance, technology, and professional services maintain an unemployment rate as low as 2.6%, fuelled by the expansion of cross-border financial services and growing investment in innovation and technology, which continuously generate high-quality jobs. In contrast, sectors like retail, catering, and tourism in unemployment to 4.2%, primarily due to weak local consumption and downgraded spending by visiting tourists, leading to losses in grassroots positions.

Chart 3 – Labour Force Participation Rate and Unemployment Rate of Hong Kong



*Source: Census and Statistics Department ("**C&SD**")*

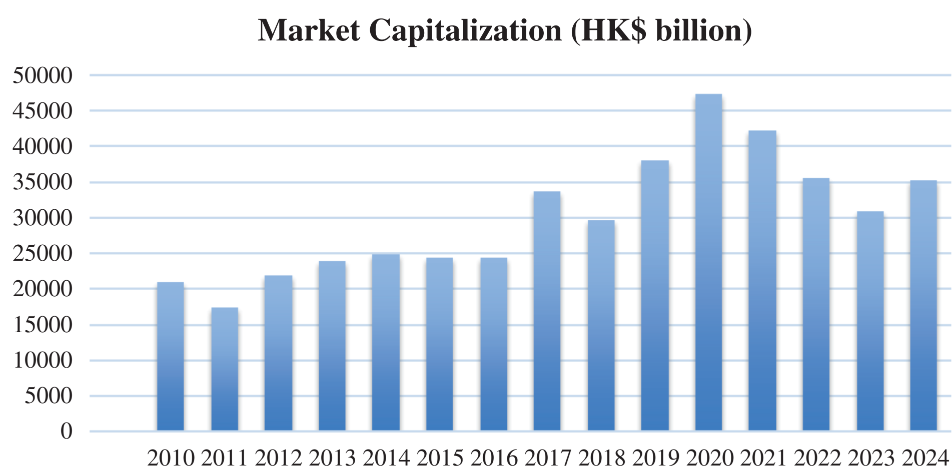
As an international trade and financial center, the economy of Hong Kong is closely linked to the global economy, and any fluctuations in the global economy may have an impact on the Hong Kong economy. For example, the alleviation of global trade tensions usually boosts market confidence in Hong Kong and promotes economic development. When countries reach trade agreements and reduce tariffs, the order volume of Hong Kong's import and export enterprises will significantly increase, driving the prosperity of related industries such as logistics, warehousing, and financial services. On the other hand, fluctuations in the international financial market may also trigger instability in the Hong Kong financial market. For instance, a significant decline in international stock markets will cause the Hong Kong stock market to fluctuate accordingly, increasing the pressure of capital outflows. Paul Chan, the Financial Secretary of the Hong Kong Special Administrative Region Government, predicts that Hong Kong's economy will continue to experience moderate growth in 2025, with an annual real growth rate ranging from 2% to 3%. The underlying inflation rate and the overall inflation rate will be 1.5% and 1.8% respectively. According to data released in the 2025/2026 Budget, Hong Kong's economy will grow at a modest rate of 2.5% in 2024. Taking all factors into account, Hong Kong's economy will grow by an average of 2.9% per annum in real terms between 2026 and 2029, and the underlying inflation is expected to average 2.5% per annum.

INDUSTRY OVERVIEW

The Hong Kong securities industry plays a key role in its economy, supporting Hong Kong as an international financial center with an open and diversified market. The Hong Kong Exchanges and Clearing Limited (HKEX) is highly influential globally, especially in Asia, with active daily trading of stocks and bonds. Hong Kong also leads the offshore RMB business sector, offering a variety of RMB-related investment products.

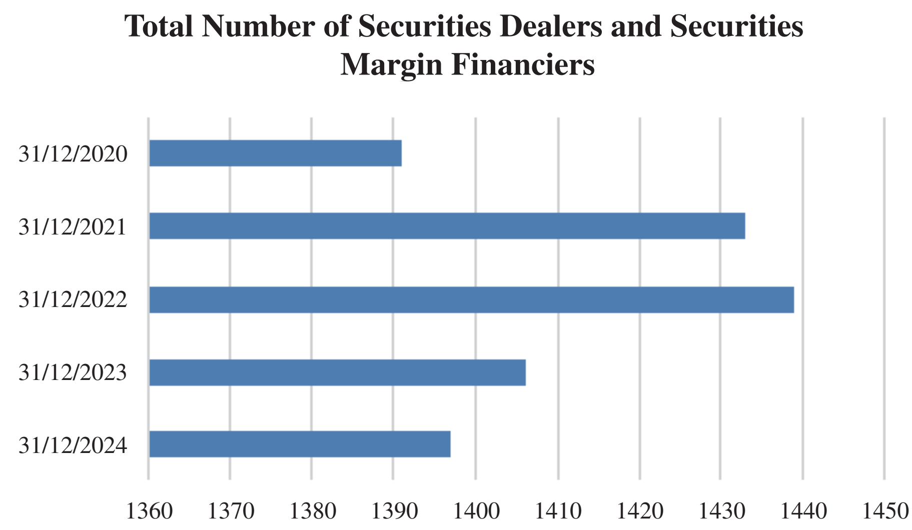
In 2024, the industry's activity and profitability reached new highs. The "Financial Review of the Securities Industry in 2024" reported by the Securities and Futures Commission of Hong Kong and the HKEX annual data shows total annual net profit of all securities dealers and securities margin financiers increased by 56% to HK$44.4 billion, and revenue rose by 11% to HK$222.6 billion. Securities transactions saw an 18% increase in net commission income to HK$20.2 billion. Stock market turnover grew by 34% to HK$144.1 trillion, with average daily turnover up 26% to HK$131.8 billion. Derivatives market activity resulted in a 14% rise in net commission income from futures, options, and virtual asset transactions to HK$3.59 billion, with virtual assets contributing HK$209 million, highlighting potential in emerging markets. Brokerage benefited from Stock Connect expansion.

Chart 4 – The Market Capitalization of the Main Board of the Hong Kong Stock Market



*Source: Census and Statistics Department ("**C&SD**")*

Chart 5 – Number of Securities Dealers and Securities Margin Financiers



*Source: Securities and Futures Commission (“**SFC**”)*

Table 2 – Statistical Information of Securities Dealers and Securities Margin Financiers

	Statistical Information of Securities Dealers and Securities Margin		
	2023	**2024**	**Change (%)**
Total value of transactions	107,897,497	144,110,203	+34%
Net securities commission income	17,113	20,187	+18%
Net commission income arising from F&O dealing, LFET and VA dealing	3,140	3,586	+14%
Gross interest income	39,987	41,392	+4%

*Source: Securities and Futures Commission (“**SFC**”)*

The Hong Kong securities industry has a strict and comprehensive regulatory framework, which provides good legal protection for investors, enhances the credibility of the market, and attracts global investors to participate in the Hong Kong securities market. However, the Hong Kong securities industry also faces many challenges. Factors such as global economic fluctuations, geopolitical tensions, and changes in mainland policies may all have an impact on the stability of the Hong Kong securities market. During periods of global economic slowdown, the corporate financing demand may decline, affecting the investment banking business of securities companies. Geopolitical conflicts may trigger market panic, leading to a shrinkage in the trading volume of the securities market and, in turn, affecting the brokerage business income of securities companies.

VALUATION METHODOLOGY AND BASIS

We have conducted the Valuation in accordance with the International Valuation Standard. The valuation procedures employed include an assessment of key assumptions, estimates, and representations made by the proprietor or the operator of the Target Company. All the matters we consider essential to the proper understanding of the Valuation are disclosed in our valuation report. In arriving at our assessed value, we have considered three accepted approaches, namely, income approach, cost approach and market approach.

Income approach: provides an indication of value by converting future cash flows to a single current asset value, and is commonly applied to an aggregation of assets consisting of all assets of a business enterprise, including working capital and tangible and intangible assets. Value is derived based upon the present worth of economic benefits of ownership of asset.

Cost approach: provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction. Value is established based on cost of reproducing or replacing the asset, less depreciation or amortization from functional and economic obsolescence, if present and measurable.

Market approach: provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available, and incorporating adjustments to be made for any difference between the properties of the comparable assets and the subject asset being appraised.

Selection of the Valuation Approach for the Target Company – Market Approach:

In this valuation, the cost approach is not appropriate as it ignores the economic benefits of ownership of the business. The income approach is not adopted in this exercise as the cash flow projections for the brokerage services business of the Target Company would require numerous assumptions on projected growth/changes in revenue streams, cost of revenue, operating expenses, administrative expenses, projected movements in working capital balances, and expected capital expenditure. Such assumptions and estimations are therefore not easily verifiable, supportable or reliably measured. We have therefore relied solely on the market approach in this valuation exercise.

The market approach generally involves two valuation methods, namely (i) the guideline public company method, which involve the use of the valuation multiples applicable to the subject companies, to assess the Fair Value of the Equity, and (ii) the comparable transactions method, which involves the direct comparison of other transactions that may be considered similar to the subject transaction regarding the Equity of the Target Company. The comparison transactions method is considered not appropriate due to the lack of public information on recent comparable transactions in the market.

We have adopted the guideline public company method in this exercise, and the multiples applicable to the Target Group are derived with reference to the valuation multiples of the comparable companies ("**Comparable Companies**") of the Target Company.

For the purpose of our valuation, we have also derived the Fair Value of the Equity based on the available information and presently prevailing as well as prospective operating conditions of the business and by taking into consideration other pertinent factors which basically include the followings:

– the market and the business risks;

– the general economic outlook as well as specific investment environment;

– the nature and current financial status;

– the historical performance;

– the assumptions as stated in the section of Assumptions in this report.

In assessing the relationship of a company's valuation with its fundamentals, the following valuation multiples are usually considered: the price-to-sales ratio ("**P/S**"), the price-to-earnings ratio ("**P/E**"), the enterprise value-to-earnings before interest, tax, depreciation and amortization ("**EV/EBITDA**"), and the price-to-book ratio ("**P/B**"). The above multiples are the commonly used valuation benchmarks in assessing the valuation of a company since the data for calculating these ratios can be obtained directly from publicly available information and they are considered to reflect the valuation of a similar business from a market participant's perspective.

The application of P/E and EV/EBITDA multiples assumes that the target company has a positive earnings base. However, the Target Company recorded net loss and negative EBITDA from 1 January 2024 to 31 December 2024. Therefore, the P/E and EV/EBITDA multiples were not adopted.

The use of the sales-based multiples like P/S inherently assumes that Comparable Companies and the Target Company have similar cost structures and profit margin – i.e., similar capabilities to convert sales into profits. Based on the latest reported financial data, the average and median net profit margins of the Comparable Companies were -52.3% and -44.10% respectively, which differed significantly from the Target Company's net profit margin (-120.80%) in 2024. Therefore, the sales-based multiples are considered not appropriate for this valuation.

The P/B is considered an appropriate valuation multiple as the Comparable Companies hold similar assets and liabilities as the Target Company, given that they operate in the same industry in a similar manner. As the earnings-based and sales-based multiples are considered inappropriate for the valuation of the Target Company, the P/B multiple is adopted in this valuation.

IDENTIFICATION OF SUITABLE COMPARABLE COMPANIES

We have identified relevant Comparable Companies operating in Hong Kong based on multiple sets of selection criteria in order to sort out particular companies that are comparable to the subject companies in terms of risks and business nature.

We have adopted the following screening process in arriving at our initial shortlist of companies to further sort out appropriate Comparable Companies for the Target Group:

– The shortlisted companies are categorized as operating in the industries of institutional brokerage, wealth management and investment management according to Bloomberg.

The Target Company generates revenue primarily from the securities brokerage and financial service businesses. We aim to identify Comparable Companies with similar revenue sources as the Target Company. We calculated their 2-year average revenue attribution percentages to verify if these companies have been principally operating securities brokerage and financial service businesses over the past two years. The Comparable Companies should also demonstrate sufficient trading activities before the Valuation Date.

To ensure relevance and consistency, the selected Comparable Companies should meet the following criteria:

– According to their latest published annual reports and company websites, the revenue from the securities brokerage and financial service businesses for the Comparable Companies should account for an average of over 50% of total revenue in 2023 and 2024.

– The revenue derived from the Hong Kong market for the Comparable Companies should average over 50% of total revenue in 2023 and 2024.

– The financial information of the Comparable Companies must be publicly available.

– The Comparable Companies' historical trading data must be sufficient and available.

– The trading of the Comparable Companies' shares should have suspended for no more than 30 days within one year before the Valuation Date.

Following the above process, fourteen companies, namely Fu Shek Financial Holdings Ltd, Bright Smart Securities & Commodities Group Ltd, Sheng Yuan Holdings Ltd, Shenwan Hongyuan (H.K.) Ltd, Cash Financial Services Group Ltd, Central Wealth Group Holdings Ltd, South China Financial Holdings Ltd, Planetree International Development Ltd, Pinestone Capital Ltd, Koala Financial Group Ltd, Imagi International Holdings Ltd, Get Nice Holdings Ltd, Astrum Financial Holdings Ltd, Victory Securities (Holdings) Co Ltd, fit the above selection criteria, and are selected as the Comparable Companies. The list of selected Comparable Companies is exhaustive in terms of the above criteria.

Fourteen companies are considered to fulfil the expanded selection criteria, and are selected as the Comparable Companies. Details of these Comparable Companies are summarized as below:

Name	Stock Code	Company Description
Fu Shek Financial Holdings Ltd ("**Fu Shek Financial**")	2263 HK	Fu Shek Financial Holdings Limited provides brokerage services. The Company offers securities trading, placing and underwriting, and investment advisory services. Fu Shek Financial serves customers in Hong Kong.
Bright Smart Securities & Commodities Group Ltd ("**Bright Smart Securities**")	1428 HK	Bright Smart Securities is a brokerage firm.
Sheng Yuan Holdings Ltd ("**Sheng Yuan**")	851 HK	Sheng Yuan is a comprehensive financial services group. The Company, through its subsidiaries, provides services in Hong Kong and throughout the People's Republic of China.
Shenwan Hongyuan (H.K.) Ltd ("**Shenwan Hongyuan**")	218 HK	Shenwan Hongyuan (H.K.) Ltd, through its subsidiaries, provides loan-financing, securities, futures and equity options trading and dealing, underwriting, and corporate advisory services. The Company also is involved in cross-border financing and merger and acquisition by foreign investors.
Cash Financial Services Group Ltd ("**Cash Financial**")	510 HK	Cash Financial operates as a financial services conglomerate. The Company provides a comprehensive range of financial products and quality services, comprising investment banking and corporate finance advisory, wealth and asset management, finance technology platform, and other services.

Name	Stock Code	Company Description
Central Wealth Group Holdings Ltd ("**Central Wealth**")	139 HK	Central Wealth operates as a holding company. The Company, through its subsidiaries, provides securities brokerage and futures trading, asset management, and money lending services to individual and institutional clients. Central Wealth serves customers in Hong Kong and China.
South China Financial Holdings Ltd ("**South China Financial**")	619 HK	South China Financial Holdings Ltd., through its subsidiaries, provides securities brokerage services; bullion, forex and commodities trading; share margin financing; money lending; lease financing; and corporate advisory and underwriting services.
Planetree International Development Ltd ("**Planetree International**")	613 HK	Planetree International Development Limited operates as an investment holding company. The Company through its subsidiaries, provides property investment, securities investment, treasury management, money lending, and property leasing services. Planetree International offers services in Hong Kong.
Pinestone Capital Ltd ("**Pinestone Capital**")	804 HK	Pinestone Capital Ltd is a financial service provider. The Company engages in securities brokerage, securities-backed lending, and placing and underwriting. Pinestone Capital caters mainly to individual and corporate client with interest in securities of small- to medium-sized companies listed on the stock exchange.

Name	Stock Code	Company Description
Koala Financial Group Ltd ("**Koala Financial**")	8226 HK	KOALA Financial Group Limited provides securities brokerage services. The Company offers money lending, securities investment, and trading of commodities, as well as manufactures garment accessories and LED digital display products. KOALA Financial serves customers in Hong Kong.
Imagi International Holdings Ltd ("**Imagi International**")	585 HK	Imagi International Holdings Limited is focused on the development of its merchandising, lifestyle, services, media and entertainment products. The Company also collaborates with its strategic partners to produce and distribute animated TV and movies production, stage show/mobile carnival performances, publication and interactive media.
Get Nice Holdings Ltd ("**Get Nice**")	64 HK	Get Nice Holdings Limited operates as a holding company. The Company, through its subsidiaries, provides financial, property development, personal and property financing, investments, and real estate brokerage services. Get Nice serves customers in Hong Kong.
Astrum Financial Holdings Ltd ("**Astrum Financial**")	8333 HK	Astrum Financial Holdings Limited operates as a holding company. The Company, through its subsidiaries, provides asset management, online brokerage, and future trading services. Astrum Financial conducts businesses in Hong Kong.

Name	Stock Code	Company Description
Victory Securities (Holdings) Co Ltd ("**Victory Securities**")	8540 HK	Victory Securities (Holdings) Company Limited operates as a holding company. The Company, through its subsidiaries, provides securities trading, margin financing, and wealth management services. Victory Securities serves customers in Hong Kong.

The key extract of financial information of comparable companies included in our valuation were as follows:

	As at 31 March 2025		
Name	**Market Capitalization** *(HK$'000)*	**NAV** *(HK$'000)* *(as at latest statement)*	**P/B**
Fu Shek Financial	176,000	357,000	0.49
Bright Smart Securities	4,684,538	1,196,191	3.92
Sheng Yuan	185,214	116,586	1.59
Shenwan Hongyuan	2,045,092	2,629,347	0.78
Cash Financial	107,363	206,780	0.52
Central Wealth	733,195	733,127	1.00
South China Financial	66,281	76,184	0.87
Planetree International	162,631	1,320,477	0.12
Pinestone Capital	96,481	138,372	0.70
Koala Financial	52,188	371,487	0.14
Imagi International	273,874	559,907	0.49
Get Nice	1,217,501	5,784,344	0.21
Astrum Financial	28,800	122,264	0.24
Victory Securities	666,077	172,549	3.86

When calculating valuation multiples, adjustments for differences in company size are often considered. Larger companies typically have lower expected returns, which translate into higher values. In contrast, smaller companies are perceived as having higher risks associated with their business operations and financial performance, resulting in higher expected returns and lower valuation multiples. In this exercise, the size premia for the companies were referenced from the CRSP Deciles Size Premium Studies by Kroll Inc. (formerly Duff & Phelps).

To account for the impact of varying market capitalizations between the comparable companies and the Target Company, the proposed adjustment to the P/B ratio reflecting the size difference is outlined below:

$$Adjusted\,\frac{P}{B}\,Multiple = \frac{1}{\dfrac{1}{\frac{P}{B}\,Multiple} + Size\ Premium\ \Delta}$$

Size Premium Δ ("**SP Δ**") = Size premium of the Target Company ("**TCSP**") – Size premium of each of the Comparable Companies ("**CCSP**")

The following table shows the details of the original and adjusted P/B multiples of each of the Selected Comparables:

Name	Original P/B (A)	TCSP (B)	CCSP (C)	SP Δ (D)=(B)-(C)	Adjusted P/B 1/[1/(A)+(D)]
Fu Shek Financial	0.49	2.91%	2.91%	0.00%	0.49
Bright Smart Securities	3.92	2.91%	1.24%	1.67%	3.68
Sheng Yuan	1.59	2.91%	2.91%	0.00%	1.59
Shenwan Hongyuan	0.78	2.91%	2.91%	0.00%	0.78
Cash Financial	0.52	2.91%	2.91%	0.00%	0.52
Central Wealth	1.00	2.91%	2.91%	0.00%	1.00
South China Financial	0.87	2.91%	2.91%	0.00%	0.87
Planetree International	0.12	2.91%	2.91%	0.00%	0.12
Pinestone Capital	0.70	2.91%	2.91%	0.00%	0.70
Koala Financial	0.14	2.91%	2.91%	0.00%	0.14
Imagi International	0.49	2.91%	2.91%	0.00%	0.49
Get Nice	0.21	2.91%	2.91%	0.00%	0.21
Astrum Financial	0.24	2.91%	2.91%	0.00%	0.24
Victory Securities	3.86	2.91%	2.91%	0.00%	3.86
Median	**0.61**				**0.61**

The median size adjusted P/B of the selected comparable companies is **0.61**. This is used as the proxy P/B multiple to be applied to the valuation of the Equity of the Target Company.

In view of the limited and exhaustive number of Comparable Companies found through the above selection process, we have adopted all relevant and available Comparable Companies to derive a reasonable and appropriate valuation multiple for the valuation of the Target Company.

DISCOUNT FOR LACK OF MARKETABILITY ("DLOM")

Privately held companies are not readily marketable and would face more difficulty in converting its shares into cash as compared with publicly held companies. DLOM is commonly considered in the valuations of privately held companies to reflect difference in the marketability of the shares of the subject private companies and that of the selected publicly-traded comparable companies.

We generally select the appropriate DLOM based on the 2024 Stout Restricted Stocks Studies on Determining Discount for Lack of Marketability, which incorporated an examination of 779 private placement transactions of unregistered common stock, with and without registration rights, issued by publicly traded companies from July 1980 through March 2024. The discount of 15.60% implied by these 779 private placement transactions in comparison with the corresponding publicly traded common stocks, and is generally considered an appropriate proxy for DLOM for closely held private businesses.

ADJUSTMENT FOR CONTROL PREMIUM

As the 100% equities of the Target Group represents a fully control on the operations of their businesses, it is common to consider a control premium to account for the fully control of the business. Based on the Company's instructions, we are also requested to prepare the valuation of the Equity on a controlling stake basis. In order to determine the amount of discount required, we have taken into consideration the ownership characteristics of the subject equity, as outlined below:

– representation on the board of directors;

– any contractual restrictions arising from the Agreements;

– organization documents such as shareholder agreements and voting trusts;

– any relevant industry regulations;

– voting rights of the subject equity relation to control of the business;

– the size of the block of shares being valued; and

– concentration of ownership.

In this exercise, we have adopted the control premium of 34.6% with reference to the Factset Mergerstat/BVR Control Premium Study (2024) (the "**Mergerstat Study**") published by FactSet Mergerstat, LLC. This is the median of equity control premium of 148 cases of controlling interest acquisitions or privatisations which involved publicly traded and privately held companies worldwide in the fourth quarter of 2024 (the latest available data as of the Valuation Date) based on the Mergerstat Study.

Table: The Fair Value of the equity of the Target Company as of Valuation Date

NAV (as of the Valuation Date)	(A)	53,860,000
P/B	(B)	0.61
Equity Value before marketability discount & control premium	(A) x (B) = (C)	32,854,600
Discount of Lack of Marketability	(D)	15.6%
Control premium	(E)	34.6%
Equity Value after marketability discount & control premium	(C) x [(1 - (D)] x [(1 + (E)] = (F)	37,323,614
Shareholding (%)	(G)	100%
Fair Value of the Equity of the Target Company	(F) x (G) = (H)	37,323,614
Fair Value of the Equity of the Target Company (rounded to the nearest million)		37,000,000

SOURCE OF INFORMATION AND CAVEATS

We have been provided with extracts of copies of relevant documents and financial information relating to the Target Company. We have relied upon the aforesaid information in forming our opinion of the Fair Value. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us. We have no reason to doubt the truth and accuracy of the said information which is material to the valuation. We have also been advised by the Target Company that no material facts have been omitted from the information provided. We have also made relevant inquiries and obtained further information as considered necessary for the purpose of this valuation.

While we have exercised our professional knowledge and cautions in adopting assumptions and other relevant key factors in our valuation, those factors and assumptions are still vulnerable to the change of the business, economic environment, competitive uncertainties or any other abrupt alternations of external factors.

ASSUMPTIONS

In the course of valuation, the following specific assumptions and caveats have been made. We have based on the followings to conclude the Fair Value of the Target Company.

- It is assumed that there is no material change in the financial position of the Target Company between the reporting date of the latest financial statements (31 December 2024) and the Valuation Date.

- It is assumed that the Target Company has no minority interest as of the Valuation Date.

- It is assumed that the Target Company will continue to operate as a securities brokerage services provider with a focus on its core operations within the securities brokerage services sector in the foreseeable future.

- It is assumed that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported value.

- There will be no major changes in existing political, legal, fiscal or economic conditions in the country or district where the business is in operation.

- There will be no major changes in the current taxation law in the areas in which the Target Company carry on its business, that the rate of tax payable remains unchanged and that all applicable laws and regulations will be complied with.

- The inflation, interest rates and currency exchange rate will not differ materially from those presently prevailing.

- The Target Company will retain their management and technical personnel to maintain their ongoing operations.

- There will be no major business disruptions through international crisis, industrial disputes, industrial accidents or severe weather conditions that will affect the existing business.

- The Target Company will remain free from claims and litigation against the business or its customers that will have a material impact on value.

- The Target Company is unaffected by any statutory notice and the operation of the business will not give rise to any contravention of any statutory requirements.

- The business is not subject to any unusual or onerous restrictions or encumbrances.

LIMITING CONDITIONS

We have to a considerable extent relied on the financial data and other related information provided by the Target Company. We are not in a position to comment on the lawfulness of the business.

To the best of our knowledge, the statements of facts contained in this document, upon which the analysis and conclusions expressed are based, are true and correct. Information, estimates and opinions furnished to us and contained in this document or utilized in the formation of the Valuation were obtained from sources considered reliable and believed to be true and correct. However, no representation, liability or warranty for the accuracy of such items is assumed by or imposed on us.

To the extent that any of the adopted assumptions or facts provided to us are changed, the result of the Valuation would be different. It should be noted that the financial information regarding the Target Company provided to us has been represented by management and was assumed for the purposes of this opinion that such information was reasonably prepared with diligence and based on best efforts of management as to the current results of the operations and financial conditions of the Target Company.

Neither the whole, nor any part of this report and valuation, nor any reference thereto may be included in any documents, circular or statement without our written approval of the form and context in which it will appear.

MANAGEMENT CONFIRMATION OF FACTS

A draft of this report and our calculations have been sent to management of the Target Company and the Company. They have reviewed and orally confirmed to us that facts, as stated in this report and calculations, are accurate in all material respects. Management confirms that they have performed the necessary due-diligence on the information provided, and understands that any material changes or errors in such information could lead to a substantial change in our valuation result. As of the date of this report, they are not aware of any material matters relevant to our engagement that were excluded.

Management should also acknowledge that the valuation was carried out using theoretical valuation approaches, and thus could be different from any potential transaction prices. The valuation result should therefore be used for the Company's circular reference purpose only. It is noted that Management has reviewed all valuation results and agreed with all relevant valuation inputs and calculations.

REMARKS

Unless otherwise stated, all money amounts are stated in Hong Kong dollars ("**HK$**").

We hereby confirm that we have neither present nor prospective interests in the Company, the Target Company and their respective holding companies, subsidiaries and associated companies, or the value reported herein.

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. Further, while the assumptions and other relevant factors are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Target Company, the Company and us.

OPINION OF THE VALUE

Based on the investigation and analysis stated above and on the method employed, we are of the opinion that as at the Valuation Date: the Fair Value of the 100% Equity of the Target Company was reasonably stated as **HK$37,000,000**.

Yours faithfully,
For and on behalf of
APAC Asset Valuation and Consulting Limited

Jasper Chan
CFA, FRM
Director

Notes:

Jasper Chan, CFA, FRM

Mr. Jasper Chan is a CFA® charterholder and a certified FRM® with over 10 years of experience in handling valuations and financial modelling for financial reporting, merger and acquisition, financial derivatives, intangible assets, biological assets, mine valuations, etc. He also has extensive experience in providing valuation advisory services to private equity funds, and providing litigation support in relation to commercial and matrimonial disputes. His work has covered a range of different industries including manufacturing, financial services, mineral resources, forestry, IT, pharmaceutical, casinos & gaming, etc.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executives' interests and/or short positions in shares, underlying shares and debentures of the Company or its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) 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/or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) to be entered into the register required to be kept therein, pursuant to Section 352 of the SFO; or (iii) to be notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules relating to the required standard of dealings by directors, were as follows:

Long position in shares or underlying shares of the Company

Name of Director	Capacity	Number of shares held	Approximate percentage of issued share capital of the Company *(Note 1)*
Kwan Kin Man Keith	Beneficial owner	24,000,000	2.50%

Note:

(1) The total number of the issued shares of the Company as at the Latest Practicable Date was 960,000,000.

(b) Substantial Shareholders' interests and/or short positions in shares and underlying shares of the Company or its associated corporations

As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, the interests and short positions of the substantial Shareholders (other than the Directors and chief executive of the Company) in the Shares or underlying Shares which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to Section 336 of the SFO, to be entered in the register to therein, were as follows:

Name of substantial Shareholder	Capacity/ Nature of interest	Number of shares held	Approximate percentage of issued share capital of the Company *(Note 1)*
Well Link Fintech Holdings Limited *(Note 2)*	Beneficial owner	523,672,000	54.55%
Xu Chujia *(Note 2)*	Interests of corporation controlled and interest of spouse	683,672,000	71.22%
Zhang Meijuan *(Note 2)*	Beneficial owner and interest of spouse	683,672,000	71.22%

Notes:

(1) The total number of the issued shares of the Company as at the Latest Practicable Date was 960,000,000.

(2) Mr. Xu Chujia owned 97% of the issued share capital of Well Link Fintech Holdings Limited, which beneficially owned 523,672,000 shares of the Company, representing approximately 54.55% of the issued share capital of the Company. By virtue of the SFO, Mr. Xu Chujia is deemed to be interested in the Shares in which Well Link Fintech Holdings Limited were interested. In addition, Ms. Zhang Meijuan is the spouse of Mr. Xu Chujia, and Ms. Zhang Meijuan is directly interested in 160,000,000 Shares. By virtue of the SFO, Mr. Xu Chujia and Ms. Zhang Meijuan are deemed to be interested in 683,672,000 Shares, representing approximately 71.22% of the issued share capital of the Company.

3. COMPETING INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Enlarged Group.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Enlarged Group (excluding contracts expiring or determinable by the Company or any member of the Enlarged Group within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTERESTS

As at the Latest Practicable Date, save as disclosed herein, there had been no contract or arrangement of significance since 31 December 2024 (being the date to which the latest published audited financial statements of the Company were made up) in relation to the Group's business to which any member of the Enlarged Group was a party and in which a Director of the Company or his or her connected entities had a material interest, whether directly or indirectly.

As at the Latest Practicable Date, save as disclosed herein, none of the Directors had any direct or indirect interests in any assets which had since 31 December 2024 (being the date to which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Enlarged Group, or was proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

6. LITIGATION

As at the Latest Practicable Date, none of the members of the Enlarged Group was engaged in any litigation or claim of material importance, and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Enlarged Group.

7. QUALIFICATION AND CONSENT OF EXPERTS

The following sets out the qualification of the experts who have given opinions, letter or advice included in this circular (collectively, the "**Experts**"):

Name	Qualifications
Akron Corporate Finance Limited	A corporation licensed to carry on Type 6 (advising on corporate finance) regulated activities under the SFO
CCT & Partners CPA Limited	Certified public accountants
Prism Hong Kong Limited	Certified public accountants
APAC Asset Valuation and Consulting Limited	Independent valuer

Each of the letter or report of the Experts is given as of the date of this circular for incorporation herein.

As at the Latest Practicable Date, none of the Experts (i) had any direct or indirect shareholding in any member of the Enlarged Group, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Enlarged Group; or (ii) had any interest, direct or indirect, in any assets which since 31 December 2024 (being the date to which the latest published audited accounts of the Company were made up) had been or were proposed to be, acquired or disposed of by or leased to any member of the Enlarged Group.

Each of the Experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they respectively appear.

8. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) had been entered into by any members of the Group within the two years immediately preceding the Latest Practicable Date and are or may be material:

(a) the Sale and Purchase Agreement; and

(b) on 2 September 2024, the Company and Ms. Zhang Meijuan (as subscriber) (the "**Subscriber**") entered into a subscription agreement, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 160,000,000 new shares at the subscription price of

HK$0.250 per subscription share for an aggregate consideration of HK$40,000,000 (the "**Subscription**"). The subscription shares represent (i) approximately 20.0% of the issued share capital of the Company as at the date of the announcement of the Subscription; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the issue and allotment of the subscription shares immediately after completion of the Subscription. The subscription of shares have been issued under the specific mandate at the extraordinary general meeting of the Company held on 21 October 2024. The net proceeds from the subscription of shares, after deducting the estimated expenses in relation to the subscription of shares from the gross proceed, are approximately HK$38,200,000, and have been fully utilised to repay the entire outstanding notes of an aggregate principal amount of HK$40,000,000 issued by the Company on 31 January 2022.

9. GENERAL

(a) The secretary of the Company is Mr. Kwan Kin Man Keith who is a member of the Hong Kong Institute of Certified Public Accountants. For the full background and past experience of Mr. Kwan Kin Man Keith, please see page 6 of the Company's 2024 annual report published on 30 April 2025 for the year ended 31 December 2024.

(b) The Company established the audit committee ("**Audit Committee**") with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The primary duties of the Audit Committee are to review, in draft form, the Company's annual report and accounts, half-year report, quarterly report and to provide advice and comments thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the financial reporting process, risk management and internal control of the Group. The Audit Committee comprises of Ms. Wu Hung Yu as Chairlady and The Hon. Ip Kwok Him, G.B.M., G.B.S., J.P. and Mr. Yeung Chi Shing Bret as members. For the full background and past experience of Ms. Wu Hung Yu, The Hon. Ip Kwok Him, G.B.M., G.B.S., J.P. and Mr. Yeung Chi Shing Bret, please see page 6 of the Company's 2024 annual report published on 30 April 2025 for the year ended 31 December 2024.

(c) The registered office of the Company is situated at PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands and the head office and principal place of business of the Company in Hong Kong is Unit 13–15 11/F, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong.

(d) The Company's share registrar and transfer office in Hong Kong is Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(e) In the event of any inconsistency, the English texts of the circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (https://www.wlis.com.hk/) for a period of 14 days from the date of this circular:

(a) the Sale and Purchase Agreement;

(b) the letter of advice from Independent Financial Adviser dated 30 June 2025, the text of which is set out on pages 18 to 39 of this circular;

(c) the accountants' report of the Target Group for the years ended 31 December 2022, 2023 and 2024, the text of which is set out in Appendix II to this circular;

(d) the assurance report from Prism Hong Kong Limited on the unaudited pro forma financial information of the Enlarged Group, the text of which is set out in Appendix IV to this circular;

(e) the valuation report from APAC Asset Valuation and Consulting Limited, the text of which is set out in Appendix V to this circular; and

(f) the letters of consent from the experts referred to in paragraph 7 in this appendix.

Well Link Securities Holdings Limited
立橋證券控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8350)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of Well Link Securities Holdings Limited (the "**Company**") will be held at Units 13–15, 11/F China Merchants Tower Shun Tak Center, 168–200 Connaught Road Central, Hong Kong on Friday, 18 July 2025 at 10:30 a.m. for the purpose of considering and, if thought fit, passing the following resolution, with or without amendments, as an ordinary resolution of the Company:

ORDINARY RESOLUTION

1. "**THAT**:

(a) the sale and purchase agreement dated 7 May 2025 entered into between Mr. Xu Chujia and Ms. Zhang Meijuan (as vendors) (the "**Vendors**"), the Company (a copy of which marked "A" has been produced to the EGM and initialled by the chairman of the EGM for the purpose of identification) in relation to, among other matters, the proposed acquisition of the entire issued share capital of Sea and Alpine Company Limited (the "**Proposed Acquisition**"), and the transactions contemplated thereunder (including the terms and conditions of the issue of the consideration bonds in the total principal amount of HK$35,000,000 (the "**Consideration Bonds**") to be issued by the Company) be and are hereby approved, ratified and confirmed; and

(b) any director of the Company (each a "**Director**") be and is hereby generally and unconditionally authorised to do all such acts and things, to sign and execute all such documents for and on behalf of the Company as he may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Proposed Acquisition and the transactions contemplated thereunder (including the issue of the Consideration Bonds)."

By Order of the Board
Well Link Securities Holdings Limited
Xu Wenxia
Chairman

Hong Kong, 30 June 2025

Notes:

(a) All resolutions at the meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and the Company's Articles of Association. The results of the poll will be published on the website of Hong Kong Exchanges and Clearing Limited and of the Company in accordance with the GEM Listing Rules.

(b) Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint more than one proxy (who must be an individual) to attend and vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.

(c) In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or via the designated website (https://evoting.vistra.com) by using the username and password provided on the notification letter sent by the Company not less than 48 hours before the time appointed for the meeting (i.e. not later than 10:30 a.m. on Wednesday, 16 July 2025) or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

(d) For determining the entitlement to attend and vote at the meeting, the Register of Members of the Company will be closed from Tuesday, 15 July 2025 to Friday, 18 July 2025, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the annual general meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 14 July 2025.

(e) References to time and dates in this notice are to Hong Kong time and dates.

(f) If a Typhoon Signal No. 8 or above is hoisted or "extreme conditions" caused by super typhoons or a Black Rainstorm Warning Signal is in force at or at any time after 8:00 a.m. on the date of the Meeting, the Meeting will be adjourned. The Company will post an announcement on its website (www.wlis.com.hk) and designated website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) to notify the Shareholders of the date, time and place of the adjourned Meeting. The Meeting will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the meeting under bad weather conditions bearing in mind their own situations. If any Shareholder has any question relating to the Meeting, please contact Tricor Investor Services Limited, the Company's Hong Kong branch share registrar and transfer office.

As at the date of this notice, the Board of the Company comprises of Executive Directors Ms. Xu Wenxia and Mr. Kwan Kin Man Keith, and Independent Non-executive Directors The Hon. Ip Kwok Him, G.B.M., G.B.S., J.P., Ms. Wu Hung Yu and Mr. Yeung Chi Shing Bret.

This notice will remain on the "Latest Listed Company Announcements" page of the website of the Stock Exchange at www.hkexnews.hk for a minimum period of 7 days from the date of its publication and on the website of the Company at https://www.wlis.com.hk/.