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**If you are in any doubt** as to any aspect of this joint circular or as to the action to be taken, you should consult a licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **GoFintech Quantum Innovation Limited** and/or **Wealthink AI-Innovation Capital Limited**, you should at once hand this joint circular and the accompanying forms of proxy to the purchaser(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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The Consideration Shares may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) except pursuant to an exemption from the registration requirements of the Securities Act. There will be no public offer of securities in the United States.

**GoFintech Quantum Innovation Limited**
**國富量子創新有限公司**
*(formerly known as GoFintech Innovation Limited 國富創新有限公司)*
*(Incorporated in the Cayman Islands with limited liability)*
**(Stock Code: 290)**

**WEALTHINK AI-INNOVATION CAPITAL LIMITED**
**華科智能投資有限公司**
*(Incorporated in the Cayman Islands with limited liability)*
**(Stock Code: 1140)**

## VERY SUBSTANTIAL ACQUISITION AND ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE AND NOTICE OF THE GOFINTECH EGM

## VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION AND NOTICE OF THE WEALTHINK AI EGM

**Wealthink AI Independent Financial Adviser to the Wealthink AI Independent Board Committee and the Wealthink AI Independent Shareholders**

**Draco Capital Limited**

Capitalised terms used in this cover page shall have the same meaning as those defined in this joint circular.

A letter from the GoFintech Board is set out on pages 8 to 32 of this joint circular.

A notice convening the GoFintech EGM to be held at Units No. 4102-06, 41/F, COSCO Tower, 183 Queen's Road Central, Hong Kong on Tuesday, 15 July 2025 at 11:00 a.m. is set out on pages EGM-GoFintech-1 to EGM-GoFintech-3 of this joint circular. A form of proxy for use at the GoFintech EGM is enclosed with this joint circular.

Whether or not the GoFintech Shareholders intend to attend the GoFintech EGM (or any adjournment thereof), the GoFintech Shareholders are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to GoFintech's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as practicable and in any event not less than 48 hours before the time fixed for holding the GoFintech EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude the GoFintech Shareholders from attending and voting in person at the GoFintech EGM or any adjournment thereof, should they so wish and in such event the form of proxy shall be deemed to be revoked.

A letter from the Wealthink AI Board is set out on pages 33 to 58 of this joint circular and a letter from the Wealthink AI Independent Board Committee containing its recommendation to the Wealthink AI Independent Shareholders is set out on pages IBC-1 to IBC-2 of this joint circular. A letter from the Wealthink AI Independent Financial Adviser containing its recommendation to the Wealthink AI Independent Board Committee and the Wealthink AI Independent Shareholders is set out on pages IFA-1 to IFA-34 of this joint circular.

A notice convening the Wealthink AI EGM to be held at Room 3910-13, 39/F, COSCO Tower, Grand Millennium Plaza, 183 Queen's Road Central, Hong Kong on Tuesday, 15 July 2025 at 11:00 a.m. is set out on pages EGM-Wealthink AI-1 to EGM-Wealthink AI-3 of this joint circular. A form of proxy for the Wealthink AI EGM is enclosed with this joint circular. As set out in the section headed "Special Arrangements for the Wealthink AI EGM" of this joint circular, the Wealthink AI EGM will be a hybrid meeting and the Wealthink AI Independent Shareholders may attend the Wealthink AI EGM in person or via the eVoting Portal. Whether or not the Wealthink AI Independent Shareholders intend to attend the Wealthink AI EGM in person or via the eVoting Portal, the Wealthink AI Independent Shareholders are requested to complete the form of proxy and return it to Wealthink AI's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon as soon as practicable and in any event not less than 48 hours before the time appointed for holding the Wealthink AI EGM or any adjournment thereof (as the case may be). The completion and return of a form of proxy will not preclude the Wealthink AI Independent Shareholders from attending and voting at the Wealthink AI EGM or any adjournment thereof in person or via eVoting Portal if they so wish.

This joint circular is jointly issued by GoFintech and Wealthink AI. To the extent that there are any inconsistencies between the English version and the Chinese version of this joint circular, the English version shall prevail.

25 June 2025

# CONTENTS


*Page*

**SPECIAL ARRANGEMENTS FOR THE WEALTHINK AI EGM** ..... 1

**DEFINITIONS** ..... 3

**LETTER FROM THE GOFINTECH BOARD** ..... 8

**LETTER FROM THE WEALTHINK AI BOARD** ..... 33

**LETTER FROM THE WEALTHINK AI INDEPENDENT BOARD COMMITTEE** ..... IBC-1

**LETTER FROM THE WEALTHINK AI INDEPENDENT FINANCIAL ADVISER** ..... IFA-1

**APPENDIX I – FINANCIAL INFORMATION OF THE GOFINTECH GROUP** I-1

**APPENDIX II – FINANCIAL INFORMATION OF THE WEALTHINK AI GROUP** ..... II-1

**APPENDIX III – ACCOUNTANTS' REPORT OF THE TARGET GROUP** ..... III-1

**APPENDIX IV – VALUATION REPORT OF THE TARGET COMPANY** ..... IV-1

**APPENDIX V – MANAGEMENT DISCUSSION AND ANALYSIS OF THE TARGET COMPANY** ..... V-1

**APPENDIX VI – MANAGEMENT DISCUSSION AND ANALYSIS OF THE GOFINTECH GROUP** ..... VI-1

**APPENDIX VII – MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING WEALTHINK AI GROUP** ..... VII-1

**APPENDIX VIII – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GOFINTECH GROUP** ..... VIII-1

**APPENDIX IX – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING WEALTHINK AI GROUP** ..... IX-1

**APPENDIX X – GENERAL INFORMATION – GOFINTECH** ..... X-1

**APPENDIX XI – GENERAL INFORMATION – WEALTHINK AI** ..... XI-1

**NOTICE OF THE GOFINTECH EGM** ..... EGM-GoFintech-1

**NOTICE OF THE WEALTHINK AI EGM** ..... EGM-Wealthink AI-1

## SPECIAL ARRANGEMENTS FOR THE WEALTHINK AI EGM

The Wealthink AI EGM will be a hybrid meeting. The venue of the Wealthink AI EGM will be at Room 3910-13, 39/F, COSCO Tower, Grand Millennium Plaza, 183 Queen's Road Central, Hong Kong. The Wealthink AI Independent Shareholders may attend the Wealthink AI EGM in person or via the eVoting Portal. The eVoting Portal can be accessed from any location with access to the internet via smartphone, tablet device or computer.

The live broadcast can broaden the reach of the Wealthink AI EGM to the Wealthink AI Independent Shareholders who do not wish to attend physically, or for other overseas Wealthink AI Independent Shareholders who are unable to attend in person.

Through the eVoting Portal, the registered shareholders/proxies or corporate representatives of Wealthink AI will be able to view the live video broadcast and participate in voting and submitting questions online. Login details and information have been included in the letters of Wealthink AI to those parties regarding the eVoting Portal and will be posted to the Wealthink AI Independent Shareholders seven business days before the Wealthink AI EGM.

**How to attend and vote**

The Wealthink AI Independent Shareholders will be able to exercise their voting rights in one of the following ways:

(1) attend the Wealthink AI EGM in person;

(2) attend the Wealthink AI EGM via the eVoting Portal which enables live streaming and interactive platform for submitting questions and voting online; or

(3) appoint the chairman of the Wealthink AI EGM as their proxy to attend and vote on their behalf.

The authority and instruction of the Wealthink AI Independent Shareholders' proxy will be revoked if they attend and vote at the Wealthink AI EGM in person or via the eVoting Portal. If they are non-registered shareholders, they may instruct their banks, brokers or other custodians to appoint a proxy to attend and vote via the eVoting Portal for the Wealthink AI EGM on their behalf if they wish.

## SPECIAL ARRANGEMENTS FOR THE WEALTHINK AI EGM

Wealthink AI reminds all the Wealthink AI Independent Shareholders that physical attendance in person at the Wealthink AI EGM is not necessary for the purpose of exercising voting rights. As an alternative, the Wealthink AI Independent Shareholders may attend the Wealthink AI EGM via the eVoting Portal or appoint the chairman of the Wealthink AI EGM as their proxy to vote on the relevant resolutions at the Wealthink AI EGM by using proxy forms with voting instructions inserted instead of attending the Wealthink AI EGM in person. If the Wealthink AI Independent Shareholders have any questions about the relevant resolutions, they are welcome to contact Wealthink AI via the Investor Relations Department as follows:

Investor Relation Department
Tel: (852) 2842 9688
Email: ir@1140.com.hk

*In this joint circular, unless the context otherwise requires, the following terms or expressions shall have the following meanings:*

| | |
|---|---|
| "Acquisition" | the acquisition by the Purchaser of the Sale Shares on the terms and subject to the conditions set out in the Sale and Purchase Agreement. |
| "associate(s)" | has the meaning ascribed thereto in the Listing Rules. |
| "Board" | the board of Directors. |
| "Business Day" | means a day (other than Saturday, Sunday, and days on which a tropical cyclone warning No. 8 or above or a "black rainstorm warning signal" is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general banking business. |
| "Completion" | the completion of the Transaction in accordance with the terms and conditions set out in the Sale and Purchase Agreement. |
| "Condition(s) Precedent" | the condition(s) precedent to the Completion as set out under the paragraph headed "Conditions Precedent of the Sale and Purchase Agreement". |
| "connected person(s)" | has the meaning ascribed thereto in the Listing Rules. |
| "Consideration" | The consideration in the amount of HK$1,110,000,000 for the Transaction. |
| "Consideration Share(s)" | 1,405,063,292 GoFintech Shares to be allotted and issued as the Consideration payable by the Purchaser. |
| "Director(s)" | the respective director(s) of GoFintech and Wealthink AI. |
| "Disposal" | the disposal by the Vendor of the Sale Shares on the terms and subject to the conditions set out in the Sale and Purchase Agreement. |
| "Dr. Liu" | Dr. Liu Zhiwei, a substantial shareholder of GoFintech as at the Latest Practicable Date. |
| "Enlarged GoFintech Group" | the GoFintech Group as enlarged by the Acquisition. |

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| "FSL" | Fortune (HK) Securities Limited, a wholly-owned subsidiary of the GoFintech, licensed to carry out type 1 (dealing in securities) regulated activity under the SFO |
| "GoFintech" or "Purchaser" | GoFintech Quantum Innovation Limited (formerly known as GoFintech Innovation Limited), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 290). |
| "GoFintech Board" | the Board of GoFintech. |
| "GoFintech Director(s)" | the Director(s) of GoFintech. |
| "GoFintech EGM" | the extraordinary general meeting of GoFintech to be convened and held for the GoFintech Shareholders to consider and, if thought fit, pass ordinary resolution(s) to approve, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Acquisition and the issuance of the Consideration Shares under the Specific Mandate. |
| "GoFintech Group" | GoFintech and its subsidiaries. |
| "GoFintech Shareholder(s)" | holder(s) of GoFintech Share(s). |
| "GoFintech Shares" | ordinary shares of HK$0.10 each in the issued share capital of GoFintech. |
| "HK$" | Hong Kong dollars, the lawful currency of Hong Kong. |
| "Hong Kong" | the Hong Kong Special Administrative Region of the PRC. |
| "Issue Price" | HK$0.79 per GoFintech Share, being the issue price of each Consideration Share. |
| "Joint Announcement" | the joint announcement in relation to the very substantial Acquisition and the issue of Consideration Shares under Specific Mandate of GoFintech, and the very substantial Disposal and connected transaction of Wealthink AI published on the website of the Hong Kong Stock Exchange on 31 December 2024. |

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| "Latest Practicable Date" | 24 June 2025, being the latest practicable date prior to the printing of this joint circular for ascertaining certain information for inclusion in this joint circular. |
| "Listing Committee" | the listing committee of the Stock Exchange. |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange. |
| "PRC" | the People's Republic of China, and for the purpose of this joint circular, excluding Hong Kong, Macau Special Administrative Region, and Taiwan. |
| "Remaining Wealthink AI Group" | Wealthink AI and its subsidiaries after the Disposal. |
| "RMB" | Renminbi, the lawful currency of the PRC. |
| "Sale and Purchase Agreement" | the conditional sale and purchase agreement entered into by Purchaser and the Vendor (as amended by the Supplemental Agreement), pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, being 60,000,000 Target Shares (representing 22.50% of the entire issued share capital of the Target Company), at the Consideration in the amount of HK$1,110,000,000, with such Consideration to be satisfied by the allotment and issuance of the Consideration Shares at the Issue Price. |
| "Sale Shares" | 60,000,000 Target Shares (representing 22.50% of the entire issued share capital of the Target Company). |
| "SFC" | the Securities and Futures Commission of Hong Kong. |
| "SFO" | the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). |
| "Specific Mandate" | the specific mandate to be sought from the GoFintech Shareholders at the GoFintech EGM to grant to the GoFintech Board the authority for the allotment and issuance of the Consideration Shares. |
| "Stock Exchange" | the Stock Exchange of Hong Kong Limited. |

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| "substantial shareholder" | has the meaning ascribed thereto in the Listing Rules. |
| "Supplemental Agreement" | the supplemental agreement entered into between the Vendor and the Purchaser on 30 April 2025 to revise the Sale and Purchase Agreement. |
| "Takeovers Code" | The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC. |
| "Target Company" | CSOP Asset Management Limited, a company incorporated in Hong Kong with limited liability. |
| "Target Group" | Target Company and its subsidiaries. |
| "Target Shares" | ordinary share(s) of HK$0.10 each in the issued share capital of the Target Company. |
| "trading day" | means a day on which the Stock Exchange is open for the trading of securities. |
| "Transaction" | collectively, the Acquisition and the Disposal. |
| "USA" | United States of America. |
| "USD" or "US$" | United States dollars, the lawful currency of the USA. |
| "Valuer" | BMI Appraisals Limited, an independent valuer engaged by GoFintech. |
| "Wealthink AI" or "Vendor" | Wealthink AI-Innovation Capital Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 1140). |
| "Wealthink AI Board" | the Board of Wealthink AI. |
| "Wealthink AI Director(s)" | the Director(s) of Wealthink AI. |
| "Wealthink AI EGM" | the extraordinary general meeting of Wealthink AI to be convened and held for the Wealthink AI Independent Shareholders to consider and, if thought fit, pass ordinary resolution(s) to approve, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Disposal. |

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| "Wealthink AI Group" | Wealthink AI and its subsidiaries. |
| "Wealthink AI Independent Board Committee" | an independent board committee of Wealthink AI comprising all the independent non-executive Wealthink AI Directors, namely Mr. YAN Xiaotian, Mr. ZHAO Kai and Mr. YANG Songbin, which has been established to make recommendations to the Wealthink AI Independent Shareholders on the Disposal, the Sale and Purchase Agreement and the transactions contemplated thereunder. |
| "Wealthink AI Independent Financial Adviser" | Draco Capital Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by Wealthink AI to advise the Wealthink AI Independent Board Committee and the Wealthink AI Independent Shareholders in respect of the Disposal, the Sale and Purchase Agreement and the transactions contemplated thereunder. |
| "Wealthink AI Independent Shareholders" | the Wealthink AI Shareholders, other than Dr. Liu and his associates, who have no material interest in the Disposal, the Sale and Purchase Agreement and the transactions contemplated thereunder to be proposed at the Wealthink AI EGM and are not required under the Listing Rules to abstain from voting at the Wealthink AI EGM. |
| "Wealthink AI Shareholder(s)" | holder(s) of Wealthink AI Share(s). |
| "Wealthink AI Shares" | ordinary shares of HK$0.10 each in the issued share capital of Wealthink AI. |
| "%" | per cent. |

*The English text of this joint circular, the notice of the GoFintech EGM, the notice of the Wealthink AI EGM and accompanying forms of proxy shall prevail over their respective Chinese text in case of inconsistency.*

# GoFintech Quantum Innovation Limited
# 國富量子創新有限公司

*(formerly known as GoFintech Innovation Limited 國富創新有限公司)*
*(Incorporated in the Cayman Islands with limited liability)*
**(Stock Code: 290)**

*Executive GoFintech Director:*
Ms. SUN Qing

*Non-executive GoFintech Directors:*
Dr. NIE Riming
Mr. LI Chunguang
Mr. HUA Yang

*Independent Non-executive GoFintech Directors:*
Mr. CHAN Kin Sang *(Chairman)*
Mr. CHIU Kung Chik
Ms. LUI Mei Ka

*Registered Office:*
Suite 102, Cannon Place,
P.O. Box 712,
North Sound Rd., George Town,
Grand Cayman, KY1-9006,
Cayman Islands

*Head Office and Principal Place of Business in Hong Kong:*
Units No. 4102-06,
41/F, COSCO Tower,
183 Queen's Road Central
Hong Kong

25 June 2025

*To the GoFintech Shareholders*

Dear Sirs,

## (1) VERY SUBSTANTIAL ACQUISITION AND ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE AND (2) NOTICE OF THE GOFINTECH EGM

### INTRODUCTION

Reference is made to the Joint Announcement in relation to, among other things, the Acquisition.

The purpose of this joint circular is to provide you with information regarding, among other things, (i) further details of the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Acquisition and the issue of Consideration Shares under Specific Mandate; (ii) financial information and other information of the GoFintech Group; (iii) financial information and other information of the Target Group; (iv) unaudited pro forma financial information of the Enlarged GoFintech Group; (v) a notice of the GoFintech EGM; and (vi) other information as required under the Listing Rules.

**THE SALE AND PURCHASE AGREEMENT**

The GoFintech Board and the Wealthink AI Board jointly announce that on 31 December 2024 (after trading hours of the Stock Exchange), GoFintech as the Purchaser entered into the Sale and Purchase Agreement with Wealthink AI as the Vendor, pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares, representing 22.50% of the entire issued share capital of the Target Company, at the Consideration in the amount of HK$1,110,000,000, which shall be settled by the allotment and issuance of the Consideration Shares at the Issue Price (i.e. HK$0.79 per GoFintech Share) under the Specific Mandate to be sought by GoFintech at the GoFintech EGM.

The principal terms of the Sale and Purchase Agreement are set out as follows:

**Date**

31 December 2024 (after trading hours of the Stock Exchange)

**Parties to the Sale and Purchase Agreement**

(a) GoFintech as the Purchaser; and

(b) Wealthink AI as the Vendor

**Subject Matter of the Transaction**

Pursuant to the terms of the Sale and Purchase Agreement, the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares, representing 22.50% of the entire issued share capital of the Target Company, at the Consideration in the amount of HK$1,110,000,000 which shall be settled by the allotment and issuance of the Consideration Shares at the Issue Price (i.e. HK$0.79 per GoFintech Share) under the Specific Mandate to be sought by GoFintech at the GoFintech EGM.

The acquisition cost of the Sale Shares by the Vendor was approximately HK$60.00 million.

According to valuation report prepared by the Valuer, the fair value of the Sales Shares was HK$1,110,000,000 as at 30 September 2024 under the market approach.

**Conditions Precedent of the Sale and Purchase Agreement**

The Transaction is conditional upon the following conditions being fulfilled (or waived, where applicable):

(a) the Listing Committee shall have granted or agreed to grant approval for the listing of and permission to deal in the Consideration Shares;

(b) the GoFintech Shareholders shall have approved the Acquisition, the Sale and Purchase Agreement and all transactions contemplated thereunder (including the Specific Mandate and the corresponding allotment and issuance of the Consideration Shares) at the GoFintech EGM in accordance with the Listing Rules;

(c) the Wealthink AI Independent Shareholders shall have approved the Disposal, the Sale and Purchase Agreement and all transactions contemplated thereunder at the Wealthink AI EGM in accordance with the Listing Rules;

(d) the GoFintech Shares remaining listed and traded on the Stock Exchange at all times from the date of the Sale and Purchase Agreement up to and including the date of Completion;

(e) the respective representations, warranties and undertakings made by the Purchaser and the Vendor under the Sale and Purchase Agreement are true, accurate and not misleading with respect to the Transaction and the transactions contemplated thereunder;

(f) the entire issued share capital of the Target Company as at the date of the Sale and Purchase Agreement remains the same up to the date of Completion;

(g) the GoFintech Board and Wealthink AI Board respectively approving the Transaction, the entering into and the execution and performance of the Sale and Purchase Agreement;

(h) all requisite consents, approvals, waivers and authorisations from any relevant government departments or authorities (including but not limited to the Stock Exchange and/or the SFC), regulatory authorities or other relevant third parties (whether in Hong Kong, the PRC or elsewhere) having been obtained by GoFintech and Wealthink AI (where applicable);

(i) no applicable laws, rules and regulations in Hong Kong, BVI, Singapore, Cayman Islands, or any relevant jurisdictions prohibiting, restricting or imposing conditions or limitations on, or is reasonably expected to operate to prohibit, restrict or import

conditions or limitations on the consummation of the Transaction and/or the transactions contemplated under the Sale and Purchase Agreement (including but not limited to the Listing Rules and the Takeovers Code); and

(j) no event occurring which constitutes a material adverse change (as set out in the Sale and Purchase Agreement) has occurred on the financial position, business, prospect or results of operations of the Target Company as a whole as at the date of the Sale and Purchase Agreement and up to the date of Completion.

The Vendor and the Purchaser may, in writing, waive in whole or in part of the Conditions Precedent contemplated under (e) and (j) above. Other than the aforesaid, none of the Conditions Precedent may be waived. For the avoidance of doubt, as at the Latest Practicable Date, it is not the Purchaser's or the Vendor's intention to waive, in whole or in part and conditionally or unconditionally, the Conditions Precedent contemplated under (e) and (j) above.

As at the Latest Practicable Date, Condition Precedent contemplated under (g) above was fulfilled.

If any of the Conditions Precedent is not fulfilled (or as the case may be, waived) on or before 31 July 2025 (i.e. the long stop date contemplated under the Sale and Purchase Agreement for the fulfilment of the above conditions for the Transaction), or such later date as the parties to the Sale and Purchase Agreement may agree in writing, the Sale and Purchase Agreement shall be terminated, and all rights, obligations and liabilities of the parties thereto shall cease and determine and neither party shall have any claim against the other, save for any antecedent breaches of the Sale and Purchase Agreement.

## CONSIDERATION FOR THE ACQUISITION

With respect to the Acquisition, the Consideration is in the amount of HK$1,110,000,000, which shall be settled by the allotment and issuance of the Consideration Shares at the Issue Price (i.e. HK$0.79 per GoFintech Share) under the Specific Mandate to be sought by GoFintech at the GoFintech EGM.

### Basis of the Consideration

The Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares, representing 22.50% of the entire issued share capital of the Target Company, at the Consideration in the amount of HK$1,110,000,000. BMI Appraisals Limited was appointed as the Valuer to conduct an independent valuation on the fair value of the Sale Shares (the "**Valuation**") as at 30 September 2024, with reference to the financial information of the Target Group. A summary of the valuation report is set out below:

**Valuation methodology**

The Valuer adopted the market approach in conducting the Valuation. The Valuer is of the view that the market approach is the most appropriate valuation approach as the Target Company has goodwill in terms of its market position and market share in asset management business with its excellent team performances. The market approach is the most direct valuation approach which reflects the value obtained as a result of a consensus of what others in the market place have judged it to be.

**Valuation multiple**

In preparing the Valuation, the Valuer has considered various pricing multiples, including the following:

— enterprise value ("**EV**") to sales ("**EV/Sales**") multiple;

— EV to earnings before interest, taxes, depreciation and amortization ("**EV/EBITDA**") multiple;

— EV to earnings before interest ("**EV/EBIT**") multiple;

— price to earnings ("**P/E**") multiple;

— price to book ("**P/B**") multiple; and

— price to asset under management ("**P/AUM**") multiple.

***EV/Sales multiple***

EV/Sales multiple has not been adopted in the Valuation since it does not consider the profitability of the Target Company and only focuses on the number of sales.

***EV/EBIT multiple***

EV/EBIT refers to the enterprise value of the Target Company, which is the market capitalization plus the amount of debt, minority interest, preferred shares and less any cash divided by earnings before interest. EV/EBIT multiple has not been adopted in the Valuation since it ignores the cost of debt capital of the Target Company or its tax effect.

***P/B multiple***

P/B multiple has not been adopted in the Valuation since the book value only captures the Target Company's tangible assets but does not capture any intangible assets, specific competencies and advantages of the Target Company.

***Selected valuation multiple***

The Valuer considered the average (excluding outliers) of (i) EV/EBITDA multiple; (ii) P/E multiple; and (iii) P/AUM multiple to be the most appropriate basis for the Valuation, as the Target Company is an asset management company which has a stable profitability, which EV/EBITDA multiple and P/E multiple are commonly used for companies that are continuously profitable. Also, the Valuer adopted P/AUM multiple to consider the effect of the size of asset management companies, as the difference between Asset Under Management ("**AUM**") of comparable asset management companies differs greatly.

**Major assumptions of the Valuation**

Details of the principal assumptions upon which the valuation report was based, are set forth as follows:

***General market assumptions***

(1) there will be no material change in the existing political, legal, fiscal, technological, economic and market conditions in the jurisdiction where the Target Company is currently or will be situated;

(2) there will be no material change in the taxation laws and regulations in the jurisdiction where the Target Company is currently or will be situated, that the tax rates will remain unchanged and that all applicable laws and regulations will be complied with;

(3) the market return, market risk, interest rates and exchange rates will not differ materially from those of present or expected;

(4) the supply and demand, both domestically and internationally, of the services of the Target Company or similar services will not differ materially from those of present or expected;

(5) the market prices and the relevant costs, both domestically and internationally, of the services of the Target Company or similar services will not differ materially from those of present or expected;

(6) the services of the Target Company or similar services are marketable and liquid, that there are active markets for the exchange of the services of the Target Company or similar services; and

(7) the market data, industry information and statistical figures obtained from publicly available sources are true and accurate.

***Company-specific assumptions***

(1) all licenses, permits, certificates and consents issued by any local, provincial or national government or other authorized entity or organization that will affect the operation of the Target Company have been obtained or can be obtained upon request with an immaterial cost;

(2) the core operation of the Target Company will not differ materially from those of present or expected;

(3) the financial and operational information in respect of the Target Group have been prepared on a reasonable basis that have been arrived at after due and careful consideration by the senior management of the Target Company;

(4) the Target Company currently has, or will have, adequate human capital and capacity required for the provision of the services of the Target Company, and the required human capital and capacity will be acquired in a timely manner that will not affect the operation of the Target Company;

(5) the Target Company has acquired, or will acquire, adequate financial capital for the investments in projected working capital from time to time, and any scheduled interest or repayment of loan and payable will be paid on time;

(6) the senior management of the Target Company will implement only those prospective financial and operational strategies that will maximize the efficiency of the operation of the Target Company;

(7) the senior management of the Target Company has sufficient knowledge and experience in respect of the operation of the Target Company, and the turnover of any director, management or key person will not affect the operation of the Target Company;

(8) the senior management of the Target Company has adopted reasonable and appropriate contingency measures against any human disruption such as fraud, corruption and strike, and the occurrence of any human disruption will not affect the operation of the Target Company; and

(9) the senior management of the Target Company has adopted reasonable and appropriate contingency measures against any natural disaster such as fire, flood and hurricane, and the occurrence of any natural disaster will not affect the operation of the Target Company.

**Key inputs adopted in the Valuation**

The Valuation date was 30 September 2024. The unaudited financial information of the Target Group from 1 October 2023 to 30 September 2024 was used.

| | (unaudited)<br>*(HK$'000)* |
|---|---|
| EBITDA | 377,461 |
| Earnings | 311,230 |
| AUM | 134,161,980 |
| Cash & Cash Equivalent | 283,459 |

The following is the calculation of market value of 100% equity interest in the Target Group as at 30 September 2024 using EV/EBITDA multiple:

| | (unaudited)<br>*(HK$'000)* |
|---|---|
| EBITDA for the Target Group: | |
| 12-month period from 1 October 2023 to 30 September 2024 | 377,461 |
| **Average of EV/EBITDA multiple** | **15.21** |
| EV of the Target Group as at 30 September 2024 | 5,742,668 |
| Add: Cash and Cash Equivalent for the Target Group as at 30 September 2024 | 283,459 |
| Market value using EV/EBITDA multiple (before Discount for lack of marketability) | 6,026,128 |
| Less: Discount for lack of marketability (20.40%) | 1,229,330 |
| **Market value of 100% equity interest in the Target Group as at 30 September 2024 using EV/EBITDA multiple** | **4,796,798** |

*Note:* Products of the figures and sum of the figures may not equal to the total of the figures due to rounding.

The following is the calculation of market value of 100% equity interest in the Target Group as at 30 September 2024 using P/AUM multiple:

| | (unaudited)<br>*(HK$'000)* |
|---|---|
| AUM for the Target Group as at 30 September 2024 | 134,161,980 |
| **Average of P/AUM multiple** | **0.04** |
| Market value using P/AUM multiple (before Discount for lack of marketability) | 5,021,626 |
| Less: Discount for lack of marketability (20.40%) | 1,024,412 |
| **Market value of 100% equity interest in the Target Group as at 30 September 2024 using P/AUM multiple** | **3,997,214** |

*Note:* Products of the figures and sum of the figures may not equal to the total of the figures due to rounding.

The following is the calculation of market value of 100% equity interest in the Target Group as at 30 September 2024 using P/E multiple:

| | (unaudited)<br>*(HK$'000)* |
|---|---|
| Earnings for the Target Group: 12-month period from 1 October 2023 to 30 September 2024 | 311,230 |
| **Average of P/E multiple** | **24.47** |
| Market value using P/E multiple (before Discount for lack of marketability) | 7,614,929 |
| Less: Discount for lack of marketability (20.40%) | 1,553,445 |
| **Market value of 100% equity interest in the Target Group as at 30 September 2024 using P/E multiple** | **6,061,484** |

*Note:* Products of the figures and sum of the figures may not equal to the total of the figures due to rounding.

The following is the calculation of market value of 22.50% equity interest in the Target Group as at 30 September 2024:

| | (unaudited)<br>*(HK$'000)* |
|---|---|
| Market value of 100% equity interest in the Target Group as at 30 September 2024 using EV/EBITDA multiple | 4,796,798 |
| Market value of 100% equity interest in the Target Group as at 30 September 2024 using P/AUM multiple | 3,997,214 |
| Market value of 100% equity interest in the Target Group as at 30 September 2024 using P/E multiple | 6,061,484 |
| **Average of the market values using the three multiples:** | |
| **100% equity interest in the Target Group as at 30 September 2024** | **4,951,832** |
| **22.50% equity interest in the Target Group as at 30 September 2024** | **1,110,000** |

*Note:* Products of the figures and sum of the figures may not equal to the total of the figures due to rounding.

The following formula was applied by the Valuer:

EV = Market Cap + PE + MI + ST Debt + LT Debt – Cash

*Note:*

| | | |
|---|---|---|
| EV | = | enterprise value |
| Market Cap | = | market capitalization |
| PE | = | preferred equity |
| MI | = | minority interest |
| ST Debt | = | short-term debt |
| LT Debt | = | long-term debt |
| Cash | = | cash and cash equivalents |

PE, MI, ST Debt and LT Debt are not applicable to the Target Group.

**Selection criteria of comparable companies**

The Valuer has identified comparable companies in the Valuation based on the following selection criteria:

(i) the comparable companies mainly operate in the Asia-Pacific region;

(ii) the comparable companies are engaged in businesses similar to the Target Company, such as the provision of exchange-traded funds services and asset management services;

(iii) EV/EBITDA multiple, P/AUM multiple and P/E multiple are applicable to the comparable companies;

(iv) shares of the comparable companies are listed on a major stock exchange and are being actively traded in a reasonable period of time; and

(v) detailed financial and operational information in respect of the comparable companies are available at publicly available sources.

**Market comparable companies**

Based on the abovementioned selection criteria, the Valuer has identified an exhaustive list of 9 comparable companies satisfying the above criteria, as tabulated below:

| **Name of comparable company** | **Stock code** | **EV/EBITDA** | **P/AUM** | **P/E** |
|---|---|---|---|---|
| Ashmore Asset Management Indonesia | IDX: AMOR | 11.51 | 0.00 | 16.47 |
| Australian Ethical Investment Limited | ASX: AEF | 21.59 | 0.05 | 32.86 |
| Azimut Holding S.p.A. | BIT: AZM | 4.07 | 0.06 | 6.14 |
| MFC Asset Management Public Company Limited | SET: MFC | 12.68 | 0.01 | 18.67 |
| Nippon Life India Asset Management Limited | NSE: NAM-INDIA | 29.08 | 0.08 | 36.56 |
| Platinum Asset Management Limited | ASX: PTM | 7.98 | 0.05 | 15.85 |
| SPARX Group Co., Ltd. | TYO: 8739 | 5.86 | 0.00 | 10.57 |
| UTI Asset Management Company Limited | NSE: UTIAMC | 15.27 | 0.01 | 19.31 |
| Value Partners Group Limited | 0806.HK | 28.88 | 0.08 | 63.77 |
| **Average:** | | **15.21** | **0.04** | **24.47** |

The Valuer is of the view that there are no adjustments to be made regarding the comparable companies listed on the other stock exchanges under normal valuation practice, and there are no reliable sources for adjustments to be made regarding the comparable companies listed on the other stock exchanges under professional practice. The Valuer considered the geographic segments of the comparable companies during the Valuation.

According to the practice of the Valuer, after reviewing the benchmarks of each of the comparable companies, no data is classified as an outlier, and no data is excluded in the analysis of the Valuer.

**Discount for Lack of Marketability ("DLOM")**

DLOM is adjusted towards the calculation of the Valuation. DLOM is a downward adjustment to the value of an investment to reflect its reduced level of marketability. The concept of marketability deals with the liquidity of an ownership interest, that is, how quickly and easily it can be converted into cash if the owner chooses to sell.

DLOM reflects the fact that there is no ready market for shares in a closely held company. Ownership interests in closely held companies are typically not readily marketable compared to similar interests in publicly listed companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly listed company.

As the Target Company was unlikely to undergo public offering and shares of the Target Company were unlikely to be listed in any major stock exchange or be marketable in any over-the-counter market in the near future, referencing the research result of the Stout Restricted Stock Study published by Business Valuation Resources, LLC in 2023, the Valuer adopted a DLOM of 20.40% in the Valuation.

**The GoFintech Board's assessment on the Valuation**

Set out below is a summary of the scope of the independent work and assessment conducted by the GoFintech Board:-

***Qualification and independence of the Valuer***

Based on the GoFintech Board's review of the relevant information provided by the Valuer as well as the independent research conducted from the public domain, the Valuer is a reputable and qualified valuer which provides a wide spectrum of professional valuation and consultancy services relating to initial public offerings (IPO), public documentations, financial reporting, mergers and acquisitions, corporate financing, taxation, liquidation and litigation. The integrated team of the Valuer has solid experience in valuation of real estate, plant & machinery, business interests and intangible assets.

The Valuer has confirmed its independence from the Target Group, the GoFintech Group, the Wealthink AI Group and/or any of their respective connected persons as at the Latest Practicable Date.

***Fairness and reasonableness of the valuation methodology***

The selection of the Valuer's valuation approach is based on, among other criteria, the quantity and quality of the information provided, access to available data, supply of relevant market transactions, type and nature of the subject asset, purpose and objective of the Valuation, professional judgment and technical expertise.

The cost approach does not directly incorporate information about the economic benefits contributed by the subject asset, and it is generally applied to newly established companies or a company that is unable to conduct effective assessment by using income approach or market approach. The income approach heavily relies on subjective assumptions where the valuation is highly sensitive to long-term financial projections and detailed operation information to derive an indication of value.

The market approach was considered by the Valuer to be the most appropriate valuation approach in the Valuation, as it is the most direct valuation approach which reflects the value obtained as a result of a consensus of what others in the marketplace have judged it to be.

As advised by the Valuer, the valuation methodology adopted in the Valuation is in line with market practice.

***Fairness and reasonableness of the valuation multiples***

For the valuation of the Target Company, the Valuer has adopted the average of EV/EBITDA, P/E and P/AUM multiple in assessing the Target Company as the Target Company is an asset management company which has stable profitability. EV/EBITDA and P/E multiple are commonly used for companies which are continuously profitable. The Valuer also adopted P/AUM multiple, which is target-specific to consider the effect of the size of asset management companies, as the difference between AUM of comparable companies differs greatly.

With the adoption of the market approach, the Valuer deems that the average of multiples of comparables directly reflects the value of the Target Company in the marketplace. The Valuer has derived the value of the Target Company from its financial position with the P/E multiple, EV/EBITDA multiple and P/AUM multiple respectively. In addition to using the P/E multiple and EV/EBITDA multiple, the Valuer has incorporated the P/AUM multiple as the Target Company operates in the asset management business. The Valuer did not consider other price multiples due to the Target Company's profitability, its intangible assets and its tax effects.

***Fairness and reasonableness of the selection criteria of the comparable companies***

The selection of comparable companies follows the business segment and target market of the Target Company, comparable companies with asset management services mainly as their revenue segment and which mainly operate in the Asia Pacific region will fall into the selection of being comparable. It is confirmed by the Valuer that the selection of comparable companies is exhaustive, with all the comparable companies being profitable.

***Reason for the particularly high P/E ratio of Value Partners Group Limited and the particularly low P/E ratio and EV/EBITDA multiple of Azimut Holding S.p.A. as compared to other comparable companies***

For Value Partners Group Limited (806.HK), the Valuer looked into its past earnings and historical price, there are not any abnormal volatility change in price in the past 3 years. The particularly high P/E ratio in Value Partners Group Limited is due to its low earnings as at the Valuation date. The Valuer did not consider it to be outlier as the Valuer considered the Value Partners Group Limited's high P/E ratio did account for its high anticipations from investors resulting in its high P/E ratio, thus the Valuer did not consider that it should be excluded from the analysis. Hence, the Valuer decided that the high P/E ratio is reasonable compared to other comparable companies. For Azimut Holdings S.p.A (AZM IM Equity), the low price multiples are due to higher earnings ratio compared with other comparables and there were no abnormal volatility changes in price in the last 3 years as at the date of the Valuation. The low ratios in EV/EBITDA and P/E indicate that the Azimut Holdings S.p.A is trading at a low price with high earnings, while its P/AUM ratio lies within the range of the comparables. The Valuer deemed it necessary to include the comparables in the analysis. The Valuer did not find it necessary to exclude a profitable asset management company based on market sentiment. As the comparable list is exhaustive, the Valuer deemed that it would be probable to include all comparables after selection.

***Fairness and reasonableness of the 20.4% discount for lack of marketability adopted in the valuation of the Target Company***

As the firm practice of the Valuer, the 20.4% discount of lack of marketability was adopted. The discount rate was referred from the research result of Stout Restricted Stock Study, published by Business Valuation Resources, LLC in 2025 with mean of 20.4% of total of 779 transactions in their database.

***Sufficiency of the scope of work performed by the Valuer***

The scope of work performed by the Valuer was considered by the GoFintech Board to be sufficient

**Views of the GoFintech Board and the Wealthink AI Board on the Valuation**

Taking into account the above and having considered (i) the Valuation was prepared by the Valuer in accordance with the applicable requirements and standards; (ii) the Valuer has considered the generally accepted business enterprise valuation approaches and the circumstances of the Target Company (including its market position, size and reputation) before adopting the market approach; and (iii) the Valuer has adopted EV/EBITDA multiple, P/AUM multiple and P/E multiple, which are appropriate and relevant for the purpose of the Valuation, with reference to the information of the comparable companies. The GoFintech Board and the Wealthink AI Board are of the view that the adoption of the market approach for the Valuation is fair and reasonable and reflects the expectation of the market, and the Valuation serves as a fair and reasonable reference to determine the Consideration.

The Consideration was arrived at based on normal commercial terms after arm's length negotiation among the parties to the Sale and Purchase Agreement after taking into account, among others, the following:

(i) the market value of the equity interest of the Target Company based on valuation on the fair value of the Sale Shares of approximately HK$1,110,000,000 as at 30 September 2024 conducted by the Valuer under the market approach;

(ii) the historical financial performance and future prospect of the Target Company;

(iii) assets under management, capital inflow and the market status of the Target Company; and

(iv) other reasons and benefits as described under the paragraph headed "**REASONS FOR AND BENEFITS OF THE TRANSACTION**" below.

**The Consideration Shares and Issue Price**

The Consideration Shares represent (i) approximately 18.27% of the issued share capital of GoFintech as at the Latest Practicable Date; and (ii) approximately 15.45% of the issued share capital of GoFintech as enlarged by the allotment and issuance of the Consideration Shares (assuming that there will be no change in the issued share capital of GoFintech other than the allotment and issuance of Consideration Shares between the Latest Practicable Date and Completion).

The Issue Price was arrived at after arm's length negotiation among the parties to the Sale and Purchase Agreement with reference to recent market prices of GoFintech Shares. The Issue Price represents:

(i) a discount of approximately 44.37% to the closing price of HK$1.42 per GoFintech Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) the closing price of HK$0.79 per GoFintech Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement;

(iii) a premium of approximately 1.54% to the average of the closing price of HK$0.778 per GoFintech Share as quoted on the Stock Exchange for the five trading days immediately prior to the date of the Sale and Purchase Agreement;

(iv) a premium of approximately 2.20% to the average of the closing price of HK$0.773 per GoFintech Share as quoted on the Stock Exchange for the ten trading days immediately prior to the date of the Sale and Purchase Agreement; and

(v) the aggregate nominal value of the Consideration Shares will be HK$140,506,329.

The Issue Price was determined after arm's length negotiations between the Purchaser and the Vendor, with reference to, among other things, (i) the trading performance of the Consideration Shares, including the historical trading prices of the Considerations Shares and its trend, the growing market performance of the Consideration Shares, the closing price of HK$0.79 per GoFintech Share on the date of the Sale and Purchase Agreement, and the range of average closing prices from HK$0.773 to HK$0.778 per GoFintech Share over different periods as set out above; (ii) the Valuation of the market value of the Sales Shares of approximately HK$1,110,000,000 based on the valuation report of the Target Company as set out in Appendix IV of this joint circular; (iii) the financial position and business prospects of the Target Company based on the management discussion and analysis of the Target Company as set out in Appendix V of this joint circular; and (iv) the reasons as discussed in the paragraph headed "REASONS FOR AND BENEFITS OF THE TRANSACTION" below in this joint circular.

The estimated amount of the expenses for the Acquisition and the issuance of the Consideration Shares is expected to be approximately HK$2.14 million, which will be settled using the internal financial resources of GoFintech. The Issue Price represents a slight premium to the average closing price of GoFintech Share as quoted on the Stock Exchange for the five and ten trading days immediately prior to the date of the Sale and Purchase Agreement, which reflects the continuing support and solid confidence given by Wealthink AI to GoFintech towards the long-term and sustainable growth of the GoFintech Group.

In light of the above, the GoFintech Directors are of the view that the Issue Price is fair and reasonable, and in the interests of GoFintech and the GoFintech Shareholders as a whole.

The Consideration Shares will be allotted and issued under the Specific Mandate to be approved by the GoFintech Shareholders at the GoFintech EGM. The Consideration Shares, credited as fully paid, when allotted and issued, will rank *pari passu* in all respects among themselves and with the GoFintech Shares in issue on the date of such allotment and issue, including the right to receive all dividends and distributions which may be declared, made or paid after Completion and will be issued free and clean of all liens, encumbrances, equities or other third party rights.

An application will be made by GoFintech to the Stock Exchange for the approval for the listing of, and permission to deal in, the Consideration Shares. No part of the equity or debt securities of GoFintech is listed or dealt in on any other stock exchanges other than the Stock Exchange and no such listing or permission to deal in is being or is currently proposed to be sought from any other stock exchange.

**Completion**

Completion of the Transaction shall take place on the fifth (5th) Business Day after which all Conditions Precedent have been fulfilled (or waived, as the case may be), or on any other date as the parties to the Sale and Purchase Agreement may agree in writing.

Upon Completion, (i) GoFintech will hold the Sale Shares, representing 22.50% of the entire issued share capital of the Target Company; (ii) the financial results of the Target Company will be accounted for in the consolidated financial statements of GoFintech as investment in an associate using the equity method of accounting; and (iii) GoFintech will become a substantial shareholder of the Target Company.

Pursuant to the Sale and Purchase Agreement, it is agreed among the parties that all Consideration Shares in its entirety will be allotted and issued to Wealthink AI upon Completion. Therefore, upon Completion, Wealthink AI will be beneficially interested in a total number of 1,405,063,292 GoFintech Shares representing approximately 15.45% of the issued share capital of GoFintech as enlarged by the allotment and issuance of the Consideration Shares (assuming that there will be no change in the issued share capital of GoFintech other than the allotment and issuance of Consideration Shares between the Latest Practicable Date and Completion). The aforesaid equity interest will be treated as ''Investments at fair value through profit or loss'', which are subsequently measured at fair value with any gains or losses arising from changes in fair values recognised in profit or loss. The fair value gains or losses recognised in profit or loss are net of any interest income and dividend income. Interest income and dividend income are recognised in profit or loss. There will be no restrictions on the subsequent sale of the Consideration Shares.

It is expected that Wealthink AI will not have any nomination right for GoFintech Directors upon Completion.

**EFFECTS ON SHAREHOLDINGS STRUCTURE OF GOFINTECH**

Wealthink AI will not have any director nomination right in GoFintech upon Completion.

Assuming that there will be no change in the issued share capital of GoFintech other than the allotment and issuance of the Consideration Shares between the Latest Practicable Date and Completion, the shareholding structure of GoFintech (i) as at the Latest Practicable Date; and (ii) immediately upon Completion with the allotment and issuance of the Consideration Shares are set out below for illustrative purposes:

| **GoFintech Shareholders** | **As at the Latest Practicable Date** | | **Immediately upon Completion with the allotment and issuance of the Consideration Shares** | |
|---|---|---|---|---|
| | *No. of GoFintech Shares* | *Approximate %* | *No. of GoFintech Shares* | *Approximate %* |
| Dr. Liu | 1,584,311,151 | 20.60 | 1,584,311,151 | 17.42 |
| Mr. Wang Tao *(Note 1)* | 406,102,308 | 5.28 | 406,102,308 | 4.46 |
| PS Trust Limited *(Note 2)* | 518,400,000 | 6.74 | 518,400,000 | 5.70 |
| Wealthink AI | – | – | 1,405,063,292 | 15.45 |
| Public Shareholders | 5,181,161,540 | 67.38 | 5,181,161,540 | 56.97 |
| **Total** *(Note 3)***:** | **7,689,974,999** | **100.00** | **9,095,038,291** | **100.00** |

*Note:*

1. As at the Latest Practicable Date, Mr. Wang Tao was the beneficial owner of 406,102,308 GoFintech Shares. To the best of the GoFintech Directors' knowledge, information and belief after making reasonable enquiries, Mr. Wang Tao is not related to any GoFintech Director, senior management or substantial shareholder of GoFintech, nor does he hold any positions in GoFintech or its subsidiaries.

2. PS Trust Limited is the trustee of an ESOP trust whose nominee company is GoFintech ESOP Limited. GoFintech ESOP Limited directly holds the shares of GoFintech issued and allotted to the trustee under the share award scheme adopted by GoFintech on 3 June 2024. PS Trust Limited holds these shares indirectly through GoFintech ESOP Limited. GoFintech granted a total of 103,680,000 shares awards to a total of 38 GoFintech Directors and employees of GoFintech on 26 July 2024.

3. GoFintech Shareholders and public investors should note that the above shareholding percentages for shareholding have been rounded to two decimal places. Accordingly, the total percentage may not be equal to the apparent total percentage.

## INFORMATION OF THE PURCHASER

GoFintech, the Purchaser, is an investment holding company incorporated in the Cayman Islands with limited liability. As at the Latest Practicable Date, the GoFintech Shares were listed on the main board of the Stock Exchange (stock code: 290). GoFintech and its subsidiaries are collectively a cross-border, cross-industry investment platform based in Hong Kong with focus on financial technology innovation, backed by the Greater Bay Area, and with focus on the international market. GoFintech has a strong presence in the financial services sector, comprising subsidiaries which (i) are corporations licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (Advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO; and (ii) provide money lending services. The principally-engaged businesses of GoFintech include investment banking, securities brokerage, asset management, margin financing, money lending, debt and equity investment and immigration consulting.

## INFORMATION OF THE VENDOR

The Vendor, Wealthink AI, was incorporated in the Cayman Islands as an exempted company with limited liability. As at the Latest Practicable Date, the Wealthink AI Shares were listed on the main board of the Stock Exchange as an investment company regulated under Chapter 21 of the Listing Rules. Wealthink AI is principally engaged in investment holding activities in Hong Kong, the PRC and the USA, with the involvement of investment in a diversified portfolio of global investments with respect to both listed and private enterprises.

As at the Latest Practicable Date, Wealthink AI was indirectly owned as to 29.13% by GoFintech. GoFintech is therefore a substantial shareholder and a connected person of Wealthink AI under the Listing Rules; while Wealthink AI is an associated corporation of GoFintech within the meaning of the SFO.

## INFORMATION ON THE TARGET COMPANY

The Target Company was jointly established by Wealthink AI and China Southern Asset Management Co., Ltd. in 2008. As at the Latest Practicable Date, Wealthink AI owned 22.50% of the entire issued capital of the Target Company.

The Target Company is a well-known asset management company incorporated and based in Hong Kong, which manages private and public funds, and provides investment advisory services to Asian and global investors with a dedicated focus on investment in the PRC. As a leading cross-border asset management expert in respect of AUM, the Target Company provides investment solutions across asset classes and strategies to sovereign wealth funds, pension funds, and other institutional investors. The Target Company is committed to providing investors with a flexible and efficient asset allocation tool through simple, transparent, and innovative products.

Upon Completion, the Target Company will be owned as to 52.50% by China Southern Asset Management Co., Ltd., 25.00% by Kingston Smart Limited and 22.50% by GoFintech.

To the best knowledge, information and belief of the GoFintech Directors, having made all reasonable enquiries, China Southern Asset Management Co., Ltd. and its ultimate beneficial owner(s) are third parties independent of GoFintech and Wealthink AI and their respective connected persons.

Kingston Smart Limited is an employee shareholding platform of the senior management of the Target Company. To the best knowledge, information and belief of the GoFintech Directors and the Wealthink AI Directors, having made all reasonable enquiries, Kingston Smart Limited and its ultimate beneficial owner(s) are third parties independent of GoFintech and Wealthink AI and their respective connected persons.

The acquisition cost of the Sale Shares by Wealthink AI in the amount of approximately HK$60.00 million represents the capital injection by Wealthink AI for the establishment of the Target Company.

**Financial Information of the Target Group**

Set out below is the audited consolidated financial information of the Target Group for the years ended 31 December 2022, 31 December 2023 and 31 December 2024 respectively.

| | **For the year ended 31 December 2024** | **For the year ended 31 December 2023** | **For the year ended 31 December 2022** |
|---|---|---|---|
| | (audited) | (audited) | (audited) |
| | *(HK$'000)* | *(HK$'000)* | *(HK$'000)* |
| Revenue | 981,390 | 768,419 | 586,460 |
| Profit before tax | 408,236 | 313,671 | 211,021 |
| Profit after tax | 356,499 | 279,190 | 193,128 |
| Net Assets | 773,599 | 691,997 | 596,235 |

**REASONS FOR AND BENEFITS OF THE TRANSACTION**

On top of GoFintech's strong presence in the financial services sector with subsidiaries being corporations licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (Advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, GoFintech is also influential in terms of its operation as a cross-border, cross-industry investment platform based in Hong Kong with focus on financial technology innovation. The Acquisition is advantageous to GoFintech for reasons elaborated below:

***Achieve Strategic Synergies:***

Acquiring the Target Company aligns with GoFintech's core philosophy of integrating investment banking with investment and nurturing tradition with innovation. The Target Company's leadership in managing private and public funds, with a focus on investment in the PRC, complements GoFintech's strengths. This synergy enhances cross-border asset management opportunities, leveraging the Target Company's 98% market share in Mainland China-Hong Kong ETF cross-listing and 75% in ETF interconnection in 2024.

***Enhance Market Recognition and Competitiveness:***

Acquiring the Target Company will significantly contribute to transforming GoFintech into a high value-added integrated investment platform. As one of the largest ETF issuers in Hong Kong, with an AUM exceeding US$20 billion as of the third quarter of 2024, the Target Company's award-winning product portfolio and 99.5% share in leverage and reverse products by average daily turnover in 2024 will further bolster GoFintech's market presence. The Acquisition aligns with GoFintech's goal of enhancing shareholder returns, securing a greater market share, and achieving a more advantageous market position, attracting a broader investor base.

***Gain Access to Stable and Growing Cash Flows:***

The Target Company's robust financial performance and market leadership will significantly enhance GoFintech's overall financial health. With substantial market share in various sectors and as the top ETF issuer with the highest capital inflows in 2024, the Target Company's profitability will directly contribute to GoFintech's financial strength. The dividends and cash flows generated by the Target Company will provide a steady income stream, improving liquidity and supporting GoFintech's strategic initiatives. The Acquisition not only reinforces financial stability but also aligns with GoFintech's long-term objectives by leveraging the Target Company's capacity to access investment opportunities in the PRC for international investors, thereby driving sustainable growth and enhancing shareholder value.

On top of the above, the allotment and issuance of the Consideration Shares by GoFintech to satisfy the Consideration will, upon Completion, have a dilution effect on the shareholding of the existing GoFintech Shareholders by approximately 15.45% (as enlarged by the allotment and issuance of the Consideration Shares (assuming that there will be no change in the issued share capital of GoFintech other than the allotment and issuance of Consideration Shares between the Latest Practicable Date and Completion)). Despite the dilution impact to the GoFintech Shareholders, taking into account that (i) by satisfying the Consideration entirely with the allotment and issuance of the Consideration Shares, the immediate burden to GoFintech's financial resources can be reduced since the issuance of the Consideration Shares will not result in any cash to be paid by GoFintech for the Consideration upon Completion, thereby alleviating the immediate material cash outflow pressure on GoFintech, safeguarding its imminent financial position; and (ii) the dilution impact of 15.45% demonstrated above is minimal and is outweighed by the advantages elaborated above.

Accordingly, the terms of the Sale and Purchase Agreement have been determined after arm's length negotiations between the parties thereto and the GoFintech Directors are of the view that the Sale and Purchase Agreement is on normal commercial terms, fair and reasonable and in the interests of GoFintech Shareholders as a whole.

**FINANCIAL IMPACT OF THE TRANSACTION**

Upon Completion, GoFintech will be interested in 22.50% equity interest in the Target Company, and the Target Company will become an associate of GoFintech. The financial results of the Target Group will be accounted for in the consolidated financial statements of GoFintech as investment in an associate using the equity method of accounting.

Referring to the unaudited pro forma financial information of the Enlarged GoFintech Group as set out in Appendix VIII of this joint circular, on the basis of the notes set out therein for the purposes of illustrating the effects of the Acquisition, the financial effects of the Acquisition on GoFintech as if the Acquisition had taken place and had been completed on 30 September 2024 would be as follows:

(a) as for the assets and liabilities of the GoFintech Group, the total assets would increase by approximately HK$1,105.78 million from HK$1,269.64 million to HK$2,375.42 million; and

(b) subject to audit, there would be no financial effect on the revenue of GoFintech after Completion as the income of the Target Company would not be consolidated into that of GoFintech.

Upon completion of the Disposal, Wealthink AI will cease to have any equity interest in the Target Company. The financial results of the Target Company will cease to be accounted for in the consolidated financial statements of Wealthink AI as investment in an associate and share of results of an associate using the equity method of accounting.

It is estimated that Wealthink AI will record a gain on the Disposal of approximately HK$1,839.41 million, calculated with reference to the difference between (i) the estimated fair value of the Consideration Shares in the amount of approximately HK$1,995.19 million, which is calculated based on 1,405,063,292 Consideration Shares to be received by Wealthink AI upon Completion at the market price of approximately HK$1.42 per Consideration Share as of the Latest Practicable Date; (ii) the carrying amount of the Sale Shares of HK$151.00 million as at 30 September 2024; and (iii) the estimated transaction costs of approximately HK$4.78 million.

As for assets and liabilities, it is expected that the total assets of Wealthink AI would increase by approximately HK$1,839.41 million from approximately HK$10,528.76 million to approximately HK$12,368.17 million, while the total liabilities of Wealthink AI would remain unchanged, resulting in an increase of net assets of Wealthink AI from approximately HK$10,009.50 million to approximately HK$11,848.91 million.

The above financial impact is shown for illustrative purpose only and the actual gain or loss as a result of the Disposal is subject to, among other things, the market value of the Consideration Shares on the date of Completion, the audited consolidated net asset value of the Target Company on the date of Completion and the audit to be conducted by the auditors of GoFintech and Wealthink AI.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition exceeds 100%, the Acquisition constitutes a very substantial acquisition for GoFintech under Chapter 14 of the Listing Rules and is therefore subject to the notification, announcement, circular and shareholder's approval requirements under Chapter 14 of the Listing Rules.

As of the Latest Practicable Date, Dr. Liu, a substantial shareholder of GoFintech, is beneficially interested in 20.60% of the issued share capital of GoFintech and 0.22% of the issued share capital of Wealthink AI. Dr. Liu was a Wealthink AI Director in the past 12 months, which he resigned on 9 October 2024. To avoid any doubt of material interests in the Transaction, Dr. Liu will abstain from voting at both the GoFintech EGM and the Wealthink AI EGM.

Save for the aforementioned and to the best of the knowledge, information and belief of the GoFintech Directors having made all reasonable enquiries, no other GoFintech Shareholder or GoFintech Director has a material interest in the Acquisition and is required to abstain from voting on the resolution(s) approving the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder, including the issuance of the Consideration Shares under the Specific Mandate at the GoFintech EGM or GoFintech Board meeting.

**THE GOFINTECH EGM**

The GoFintech EGM will be convened and held for the GoFintech Shareholders to consider and, if thought fit, pass the resolution(s) to approve, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Acquisition and the issuance of the Consideration Shares under the Specific Mandate.

A notice convening the GoFintech EGM to be held at Units No. 4102-06, 41/F, COSCO Tower, 183 Queen's Road Central, Hong Kong on Tuesday, 15 July 2025 at 11:00 a.m. is set out on pages EGM-GoFintech-1 to GoFintech-3 of this joint circular.

The votes to be taken at the GoFintech EGM will be taken by poll, an announcement on the poll vote results will be made by GoFintech after the GoFintech EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the GoFintech EGM is enclosed with this joint circular. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and GoFintech (www.290.com.hk). Whether or not the GoFintech Shareholders are able to attend and vote at the GoFintech EGM in person, they are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to GoFintech's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding of the GoFintech EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude the GoFintech Shareholders from subsequently attending and voting in person at the GoFintech EGM or any adjournment thereof (as the case may be) should they so wish and in such event the form of proxy shall be deemed to be revoked.

In order to determine the eligibility of the GoFintech Shareholders to attend and vote at the GoFintech EGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with GoFintech's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration by no later than 4:00 p.m. on Wednesday, 9 July 2025. GoFintech Shareholders whose names are recorded in the register of members of GoFintech on Wednesday, 9 July 2025 are entitled to attend and vote at the GoFintech EGM.

GoFintech will make further announcement(s) to inform the GoFintech Shareholders of the results of the GoFintech EGM and other relevant information as and when appropriate.

**RECOMMENDATIONS**

The GoFintech Directors consider that the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder, including the issuance of the Consideration Shares under the Specific Mandate are fair and reasonable and are in the interests of GoFintech and the GoFintech Shareholders as a whole, and they recommend the GoFintech Shareholders to vote in favour of the resolutions to be proposed at the GoFintech EGM to approve the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder, including the issuance of the Consideration Shares under the Specific Mandate.

**RESPONSIBILITY STATEMENT**

This joint circular, for which the GoFintech Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to GoFintech. The GoFintech Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this joint 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 joint circular misleading.

## ADDITIONAL INFORMATION

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

## WARNING

**Completion of the Sale and Purchase Agreement is subject to the fulfilment of a number of conditions precedent, which among other things, include the approval of GoFintech Shareholders and the approval of the Wealthink AI Independent Shareholders. Hence, the transactions contemplated under the Sale and Purchase Agreement may or may not proceed.**

**It is advised to exercise caution when dealing in the securities of GoFintech and if you are in any doubt about your position, you should consult your professional advisers.**

By order of the GoFintech Board
**GoFintech Quantum Innovation Limited**
**CHAN Kin Sang**
*Chairman and Independent Non-executive Director*

# WEALTHINK AI-INNOVATION CAPITAL LIMITED
# 華科智能投資有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1140)**

*Non-executive Wealthink AI Directors:*
Dr. WANG Qin *(Chairman)*
Dr. FU Weigang
Dr. WANG Shibin
Ms. SUN Qing

*Independent Non-executive Wealthink AI Directors:*
Mr. YAN Xiaotian
Mr. ZHAO Kai
Mr. YANG Songbin

*Registered office:*
P.O. Box 309,
Ugland House,
Grand Cayman,
KY1-1104,
Cayman Islands

*Head office and principal place of business in Hong Kong:*
Room 3910-13, 39/F, COSCO Tower,
Grand Millennium Plaza,
183 Queen's Road Central,
Hong Kong

25 June 2025

*To the Wealthink AI Independent Shareholders*

Dear Sir or Madam,

## (1) VERY SUBSTANTIAL DISPOSAL, CONNECTED TRANSACTION AND (2) NOTICE OF THE WEALTHINK AI EGM

### INTRODUCTION

Reference is made to the Joint Announcement in relation to, among other things, the Disposal.

The purpose of this joint circular is to provide you with information regarding, among other things, (i) further details of the Sale and Purchase Agreement and the transactions contemplated thereunder; (ii) the recommendation of the Wealthink AI Independent Board Committee to the Wealthink AI Independent Shareholders in relation to the Disposal; (iii) a letter of advice from the Wealthink AI Independent Financial Adviser to the Wealthink AI Independent Board Committee and the Wealthink AI Independent Shareholders in relation to the Disposal; (iv) financial information and other information of the Remaining Wealthink AI Group; (v) financial information and other information of the Target Group; (vi) unaudited pro forma financial information of the Remaining Wealthink AI Group; (vii) a notice convening the Wealthink AI EGM; and (viii) other information as required under the Listing Rules.

## THE SALE AND PURCHASE AGREEMENT

The GoFintech Board and the Wealthink AI Board jointly announce that on 31 December 2024 (after trading hours of the Stock Exchange), GoFintech as the Purchaser entered into the Sale and Purchase Agreement with Wealthink AI as the Vendor, pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares, representing 22.50% of the entire issued share capital of the Target Company, at the Consideration in the amount of HK$1,110,000,000, which shall be settled by the allotment and issuance of the Consideration Shares at the Issue Price (i.e. HK$0.79 per GoFintech Share) under the Specific Mandate to be sought by GoFintech at the GoFintech EGM.

The principal terms of the Sale and Purchase Agreement are set out as follows:

### Date

31 December 2024 (after trading hours of the Stock Exchange)

### Parties to the Sale and Purchase Agreement

(a) GoFintech as the Purchaser; and

(b) Wealthink AI as the Vendor

### Subject Matter of the Transaction

Pursuant to the terms of the Sale and Purchase Agreement, the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares, representing 22.50% of the entire issued share capital of the Target Company, at the Consideration in the amount of HK$1,110,000,000 which shall be settled by the allotment and issuance of the Consideration Shares at the Issue Price (i.e. HK$0.79 per GoFintech Share) under the Specific Mandate to be sought by GoFintech at the GoFintech EGM.

The acquisition cost of the Sale Shares by the Vendor was approximately HK$60.00 million.

According to valuation report prepared by the Valuer, the fair value of the Sales Shares was HK$1,110,000,000 as at 30 September 2024 under the market approach.

**Conditions Precedent of the Sale and Purchase Agreement**

The Transaction is conditional upon the following conditions being fulfilled (or waived, where applicable):

(a) the Listing Committee shall have granted or agreed to grant the approval for the listing of and permission to deal in the Consideration Shares;

(b) the GoFintech Shareholders shall have approved the Acquisition, the Sale and Purchase Agreement and all transactions contemplated thereunder (including the Specific Mandate and the corresponding allotment and issuance of the Consideration Shares) at the GoFintech EGM in accordance with the Listing Rules;

(c) the Wealthink AI Independent Shareholders shall have approved the Disposal, the Sale and Purchase Agreement and all transactions contemplated thereunder at the Wealthink AI EGM in accordance with the Listing Rules;

(d) the GoFintech Shares remaining listed and traded on the Stock Exchange at all times from the date of the Sale and Purchase Agreement up to and including the date of Completion;

(e) the respective representations, warranties and undertakings made by the Purchaser and the Vendor under the Sale and Purchase Agreement are true, accurate and not misleading with respect to the Transaction and the transactions contemplated thereunder;

(f) the entire issued share capital of the Target Company as at the date of the Sale and Purchase Agreement remains the same up to the date of Completion;

(g) the GoFintech Board and Wealthink AI Board respectively approving the Transaction, the entering into and the execution and performance of the Sale and Purchase Agreement;

(h) all requisite consents, approvals, waivers and authorisations from any relevant government departments or authorities (including but not limited to the Stock Exchange and/or the SFC), regulatory authorities or other relevant third parties (whether in Hong Kong, the PRC or elsewhere) having been obtained by GoFintech and Wealthink AI (where applicable);

(i) no applicable laws, rules and regulations in Hong Kong, BVI, Singapore, Cayman Islands, or any relevant jurisdictions prohibiting, restricting or imposing conditions or limitations on, or is reasonably expected to operate to prohibit, restrict or import conditions or limitations on the consummation of the Transaction and/or the transactions contemplated under the Sale and Purchase Agreement (including but not limited to the Listing Rules and the Takeovers Code); and

(j) no event occurring which constitutes a material adverse change (as set out in the Sale and Purchase Agreement) has occurred on the financial position, business, prospect or results of operations of the Target Company as a whole as at the date of the Sale and Purchase Agreement and up to the date of Completion.

The Vendor and the Purchaser may, in writing, waive in whole or in part of the Conditions Precedent contemplated under (e) and (j) above. Other than the aforesaid, none of the Conditions Precedent may be waived.

As at the Latest Practicable Date, Condition Precedent contemplated under (g) above was fulfilled, and the Vendor and the Purchaser have no intention to waive, in whole or in part and conditionally or unconditionally, any of the Conditions Precedent contemplated under (e) and (j) above. The expected date of Completion is on or before 31 July 2025.

If any of the Conditions Precedent is not fulfilled (or as the case may be, waived) on or before 31 July 2025 (i.e. the long stop date contemplated under the Sale and Purchase Agreement for the fulfilment of the above conditions for the Transaction), or such later date as the parties to the Sale and Purchase Agreement may agree in writing, the Sale and Purchase Agreement shall be terminated, and all rights, obligations and liabilities of the parties thereto shall cease and determine and neither party shall have any claim against the other, save for any antecedent breaches of the Sale and Purchase Agreement. In the event that the long stop date is extended beyond 31 July 2025, the Vendor and the Purchaser will re-comply with all applicable Listing Rule requirements (including obtaining the Wealthink AI Independent Shareholders' approval for the Disposal).

**CONSIDERATION FOR THE DISPOSAL**

With respect to the Disposal, the Consideration is in the amount of HK$1,110,000,000, which shall be settled by the allotment and issuance of the Consideration Shares at the Issue Price (i.e. HK$0.79 per GoFintech Share) under the Specific Mandate to be sought by GoFintech at the GoFintech EGM.

The Consideration for the Disposal is settled by GoFintech's allotment and issuance of Consideration Shares to Wealthink AI. Wealthink AI has considered and discussed with GoFintech for other alternative methods of settlement, including but not limited to cash settlement. However, the Wealthink AI Board was given to understand that settlement via cash is not a viable solution as paying the total Consideration in the amount of HK$1,110,000,000 in cash would impose a significant burden on GoFintech's liquidity, potentially affecting its ability to meet its funding need for daily operations. Thus, the Wealthink AI Directors considered other common market practice in acquisitions, and share-based consideration is a common practice in corporate transactions, especially when the Wealthink AI sees value in GoFintech's future growth potential. In light of the above, the Wealthink AI Board is of the view that settlement via Consideration Shares over cash would allow Wealthink AI to benefit from GoFintech's future growth, enabling Wealthink AI to participate in GoFintech's capital appreciation and dividends, and thus benefiting from the growth of GoFintech's performance in the long run. Moreover, by accepting Consideration Shares from GoFintech, Wealthink AI is able to maintain a stake in GoFintech and foster a long-term strategic relationship with GoFintech. Such structure may enhance synergies between the two parties through shared resources and collaborative opportunities in financial services, as GoFintech specialises in financial technology innovation, cross-border investment banking and asset management, whereas Wealthink AI focuses on diversified global investments. Thus, Wealthink AI will be able to benefit from GoFintech's expertise in the abovementioned areas to gain access to GoFintech's client base and networks in Hong Kong and the PRC, seek new investment opportunities, as well as enhancing its investment management capabilities by utilising GoFintech's technological platforms and market insights and intelligence. There will also be potential cross-selling opportunities, as GoFintech could offer tailored financial products to Wealthink AI's portfolio companies or clients, which could potentially create additional revenue streams for GoFintech.

The Wealthink AI Directors consider that the receipt of Consideration Shares by Wealthink AI aligns with its investment objectives, as elaborated below:

(1) Alignment with Wealthink AI's Investment Strategy and Objectives: Wealthink AI is primarily engaged in investment holding activities, focusing on diversified global investments in listed and private enterprises. Its investment strategy emphasizes long-term value appreciation, capital preservation and portfolio diversification across asset classes. The receipt of Consideration Shares supports its investment objective of investing in listed equities in the secondary market in and outside PRC to balance the liquidity of assets and return of the portfolio.

(2) Long-term Value Creation: By holding the Consideration Shares, Wealthink AI gains exposure to a cross-border financial technology platform with strengths in asset management, investment banking and fintech innovation. This aligns with Wealthink AI's investment focus on high-growth sectors in the Greater Bay Area and international markets. GoFintech's business in financial technology and cross-industry investment complements Wealthink AI's existing portfolio, potentially generating synergistic returns through shared market insights and investment opportunities.

(3) Liquidity and Marketability of Assets: As the Consideration Shares will be listed on the Main Board of the Stock Exchange, it provides Wealthink AI with a liquid asset that can be traded to preserve cash or held for long-term appreciation, aligning with Wealthink AI's need for flexible investment instruments.

Therefore, the receipt of Consideration Shares is consistent with Wealthink AI's investment objectives of portfolio diversification, long-term value creation and strategic sectoral focus. The Consideration Shares provide a liquid, growth-oriented asset that complements its existing investment portfolio and enhances its exposure to high-potential segments in financial technology and cross-border investment. This aligns with its business strategy as an investment holding company seeking to maximize returns through diversified, strategically aligned equity stakes.

The Wealthink AI Board has assessed the settlement of the Consideration via Consideration Shares based on the abovementioned factors including, among other things, the strategic alignment with Wealthink AI's investment objectives for portfolio diversification and liquidity enhancement, the long-term value creation through synergy with GoFintech, and the enhancement of the liquidity and marketability of its assets. The Wealthink AI Board has also considered the fairness of the Consideration, the financial impact and the estimated unaudited gain of HK$957,888,000 from the Disposal. The substantial gain to be realised on the Disposal would significantly enhance Wealthink AI's financial position, while the non-cash settlement via receiving Consideration Shares instead of cash allows Wealthink AI to defer immediate tax implications (if applicable) and benefit from potential future capital appreciation of the Consideration Shares, aligning with its long-term investment strategy. In view of the above, the Wealthink AI Directors are of the view that the settlement arrangement of the Consideration by the issuance and receipt of the Consideration Shares is fair and reasonable and in the interest of Wealthink AI and the Wealthink AI Shareholders as a whole.

The receipt of the Consideration Shares by Wealthink AI is in compliance with Rules 21.04(3)(a) and (b) of the Listing Rules.

**Basis of the Consideration**

The Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares, representing 22.50% of the entire issued share capital of the Target Company, at the Consideration in the amount of HK$1,110,000,000. BMI Appraisals Limited was appointed as the Valuer to conduct an independent valuation on the fair value of the Sale Shares (the "**Valuation**") as at 30 September 2024, with reference to the financial information of the Target Group. A summary of the valuation report is set out below:

**Valuation methodology**

The Valuer adopted the market approach in conducting the Valuation. The Valuer is of the view that the market approach is the most appropriate valuation approach as the Target Company has goodwill in terms of its market position and market share in asset management business with

its excellent team performances. The market approach is the most direct valuation approach which reflects the value obtained as a result of a consensus of what others in the market place have judged it to be.

**Valuation multiple**

In preparing the Valuation, the Valuer has considered various pricing multiples, including the following:

— enterprise value ("**EV**") to sales ("**EV/Sales**") multiple;

— EV to earnings before interest, taxes, depreciation and amortization ("**EV/EBITDA**") multiple;

— EV to earnings before interest ("**EV/EBIT**") multiple;

— price to earnings ("**P/E**") multiple;

— price to book ("**P/B**") multiple; and

— price to asset under management ("**P/AUM**") multiple.

***EV/Sales multiple***

EV/Sales multiple has not been adopted in the Valuation since it does not consider the profitability of the Target Company and only focuses on the number of sales.

***EV/EBIT multiple***

EV/EBIT refers to the enterprise value of the Target Company, which is the market capitalization plus the amount of debt, minority interest, preferred shares and less any cash divided by earnings before interest. EV/EBIT multiple has not been adopted in the Valuation since it ignores the cost of debt capital of the Target Company or its tax effect.

***P/B multiple***

P/B multiple has not been adopted in the Valuation since the book value only captures the Target Company's tangible assets but does not capture any intangible assets, specific competencies and advantages of the Target Company.

***Selected valuation multiple***

The Valuer considered the average (excluding outliers) of (i) EV/EBITDA multiple; (ii) P/E multiple; and (iii) P/AUM multiple to be the most appropriate basis for the Valuation, as the Target Company is an asset management company which has a stable profitability, which EV/EBITDA multiple and P/E multiple are commonly used for companies that are continuously

profitable. Also, the Valuer adopted P/AUM multiple to consider the effect of the size of asset management companies, as the difference between Asset Under Management ("**AUM**") of comparable asset management companies differs greatly.

**Major assumptions of the Valuation**

Details of the principal assumptions upon which the valuation report was based, are set forth as follows:

***General market assumptions***

(1) there will be no material change in the existing political, legal, fiscal, technological, economic and market conditions in the jurisdiction where the Target Company is currently or will be situated;

(2) there will be no material change in the taxation laws and regulations in the jurisdiction where the Target Company is currently or will be situated, that the tax rates will remain unchanged and that all applicable laws and regulations will be complied with;

(3) the market return, market risk, interest rates and exchange rates will not differ materially from those of present or expected;

(4) the supply and demand, both domestically and internationally, of the services of the Target Company or similar services will not differ materially from those of present or expected;

(5) the market prices and the relevant costs, both domestically and internationally, of the services of the Target Company or similar services will not differ materially from those of present or expected;

(6) the services of the Target Company or similar services are marketable and liquid, that there are active markets for the exchange of the services of the Target Company or similar services; and

(7) the market data, industry information and statistical figures obtained from publicly available sources are true and accurate.

***Company-specific assumptions***

(1) all licenses, permits, certificates and consents issued by any local, provincial or national government or other authorized entity or organization that will affect the operation of the Target Company have been obtained or can be obtained upon request with an immaterial cost;

(2) the core operation of the Target Company will not differ materially from those of present or expected;

(3) the financial and operational information in respect of the Target Group have been prepared on a reasonable basis that have been arrived at after due and careful consideration by the senior management of the Target Company;

(4) the Target Company currently has, or will have, adequate human capital and capacity required for the provision of the services of the Target Company, and the required human capital and capacity will be acquired in a timely manner that will not affect the operation of the Target Company;

(5) the Target Company has acquired, or will acquire, adequate financial capital for the investments in projected working capital from time to time, and any scheduled interest or repayment of loan and payable will be paid on time;

(6) the senior management of the Target Company will implement only those prospective financial and operational strategies that will maximize the efficiency of the operation of the Target Company;

(7) the senior management of the Target Company has sufficient knowledge and experience in respect of the operation of the Target Company, and the turnover of any director, management or key person will not affect the operation of the Target Company;

(8) the senior management of the Target Company has adopted reasonable and appropriate contingency measures against any human disruption such as fraud, corruption and strike, and the occurrence of any human disruption will not affect the operation of the Target Company; and

(9) the senior management of the Target Company has adopted reasonable and appropriate contingency measures against any natural disaster such as fire, flood and hurricane, and the occurrence of any natural disaster will not affect the operation of the Target Company.

**Key inputs adopted in the Valuation**

The Valuation date was 30 September 2024. The unaudited financial information of the Target Group from 1 October 2023 to 30 September 2024 was used.

| | (unaudited)<br>*(HK$'000)* |
|---|---|
| EBITDA | 377,461 |
| Earnings | 311,230 |
| AUM | 134,161,980 |
| Cash & Cash Equivalent | 283,459 |

The following is the calculation of market value of 100% equity interest in the Target Group as at 30 September 2024 using EV/EBITDA multiple:

| | (unaudited)<br>*(HK$'000)* |
|---|---|
| EBITDA for the Target Group: | |
| 12-month period from 1 October 2023 to 30 September 2024 | 377,461 |
| **Average of EV/EBITDA multiple** | **15.21** |
| EV of the Target Group as at 30 September 2024 | 5,742,668 |
| Add: Cash and Cash Equivalent for the Target Group as at 30 September 2024 | 283,459 |
| Market value using EV/EBITDA multiple (before Discount for lack of marketability) | 6,026,128 |
| Less: Discount for lack of marketability (20.40%) | 1,229,330 |
| **Market value of 100% equity interest in the Target Group as at 30 September 2024 using EV/EBITDA multiple** | **4,796,798** |

*Note:* Products of the figures and sum of the figures may not equal to the total of the figures due to rounding.

The following is the calculation of market value of 100% equity interest in the Target Group as at 30 September 2024 using P/AUM multiple:

| | (unaudited)<br>*(HK$'000)* |
|---|---|
| AUM for the Target Group as at 30 September 2024 | 134,161,980 |
| **Average of P/AUM multiple** | **0.04** |
| Market value using P/AUM multiple (before Discount for lack of marketability) | 5,021,626 |
| Less: Discount for lack of marketability (20.40%) | 1,024,412 |
| **Market value of 100% equity interest in the Target Group as at 30 September 2024 using P/AUM multiple** | **3,997,214** |

*Note:* Products of the figures and sum of the figures may not equal to the total of the figures due to rounding.

The following is the calculation of market value of 100% equity interest in the Target Group as at 30 September 2024 using P/E multiple:

| | (unaudited)<br>*(HK$'000)* |
|---|---|
| Earnings for the Target Group: | |
| 12-month period from 1 October 2023 to 30 September 2024 | 311,230 |
| **Average of P/E multiple** | **24.47** |
| Market value using P/E multiple (before Discount for lack of marketability) | 7,614,929 |
| Less: Discount for lack of marketability (20.40%) | 1,553,445 |
| **Market value of 100% equity interest in the Target Group as at 30 September 2024 using P/E multiple** | **6,061,484** |

*Note:* Products of the figures and sum of the figures may not equal to the total of the figures due to rounding.

The following is the calculation of market value of 22.50% equity interest in the Target Group as at 30 September 2024:

| | (unaudited)<br>*(HK$'000)* |
|---|---|
| Market value of 100% equity interest in the Target Group as at 30 September 2024 using EV/EBITDA multiple | 4,796,798 |
| Market value of 100% equity interest in the Target Group as at 30 September 2024 using P/AUM multiple | 3,997,214 |
| Market value of 100% equity interest in the Target Group as at 30 September 2024 using P/E multiple | 6,061,484 |
| **Average of the market values using the three multiples:** | |
| **100% equity interest in the Target Group as at 30 September 2024** | **4,951,832** |
| **22.50% equity interest in the Target Group as at 30 September 2024** | **1,110,000** |

*Note:* Products of the figures and sum of the figures may not equal to the total of the figures due to rounding.

The following formula was applied by the Valuer:

EV = Market Cap + PE + MI + ST Debt + LT Debt – Cash

*Note:*

| | | |
|---|---|---|
| EV | = | enterprise value |
| Market Cap | = | market capitalization |
| PE | = | preferred equity |
| MI | = | minority interest |
| ST Debt | = | short-term debt |
| LT Debt | = | long-term debt |
| Cash | = | cash and cash equivalents |

PE, MI, ST Debt and LT Debt are not applicable to the Target Group.

**Selection criteria of comparable companies**

The Valuer has identified comparable companies in the Valuation based on the following selection criteria:

(i) the comparable companies mainly operate in the Asia-Pacific region;

(ii) the comparable companies are engaged in businesses similar to the Target Company, such as the provision of exchange-traded funds services and asset management services;

(iii) EV/EBITDA multiple, P/AUM multiple and P/E multiple are applicable to the comparable companies;

(iv) shares of the comparable companies are listed on a major stock exchange and are being actively traded in a reasonable period of time; and

(v) detailed financial and operational information in respect of the comparable companies are available at publicly available sources.

**Market comparable companies**

Based on the abovementioned selection criteria, the Valuer has identified an exhaustive list of 9 comparable companies satisfying the above criteria, as tabulated below:

| Name of comparable company | Stock code | EV/EBITDA | P/AUM | P/E |
|---|---|---|---|---|
| Ashmore Asset Management Indonesia | IDX: AMOR | 11.51 | 0.00 | 16.47 |
| Australian Ethical Investment Limited | ASX: AEF | 21.59 | 0.05 | 32.86 |
| Azimut Holding S.p.A. | BIT: AZM | 4.07 | 0.06 | 6.14 |
| MFC Asset Management Public Company Limited | SET: MFC | 12.68 | 0.01 | 18.67 |
| Nippon Life India Asset Management Limited | NSE: NAM-INDIA | 29.08 | 0.08 | 36.56 |
| Platinum Asset Management Limited | ASX: PTM | 7.98 | 0.05 | 15.85 |
| SPARX Group Co., Ltd. | TYO: 8739 | 5.86 | 0.00 | 10.57 |
| UTI Asset Management Company Limited | NSE: UTIAMC | 15.27 | 0.01 | 19.31 |
| Value Partners Group Limited | 0806.HK | 28.88 | 0.08 | 63.77 |
| **Average:** | | **15.21** | **0.04** | **24.47** |

The Valuer is of the view that there are no adjustments to be made regarding the comparable companies listed on the other stock exchanges under normal valuation practice, and there are no reliable sources for adjustments to be made regarding the comparable companies listed on the other stock exchanges under professional practice. The Valuer considered the geographic segments of the comparable companies during the Valuation.

According to the practice of the Valuer, after reviewing the benchmarks of each of the comparable companies, no data is classified as an outlier, and no data is excluded in the analysis of the Valuer.

**Discount for Lack of Marketability ("DLOM")**

DLOM is adjusted towards the calculation of the Valuation. DLOM is a downward adjustment to the value of an investment to reflect its reduced level of marketability. The concept of marketability deals with the liquidity of an ownership interest, that is, how quickly and easily it can be converted into cash if the owner chooses to sell.

DLOM reflects the fact that there is no ready market for shares in a closely held company. Ownership interests in closely held companies are typically not readily marketable compared to similar interests in publicly listed companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly listed company.

As the Target Company was unlikely to undergo public offering and shares of the Target Company were unlikely to be listed in any major stock exchange or be marketable in any over-the-counter market in the near future, referencing the research result of the Stout Restricted Stock Study published by Business Valuation Resources, LLC in 2023, the Valuer adopted a DLOM of 20.40% in the Valuation.

**Wealthink AI Board's assessment on the Valuation**

Set out below is a summary of the scope of the independent work and assessment conducted by the Weathink AI Board:–

***Qualification and independence of the Valuer***

Based on the Wealthink AI Board's review of the relevant information provided by the Valuer as well as the independent research conducted from the public domain, the Valuer is a reputable and qualified valuer which provides a wide spectrum of professional valuation and consultancy services relating to initial public offerings (IPO), public documentations, financial reporting, mergers and acquisitions, corporate financing, taxation, liquidation and litigation. The integrated team of the Valuer has solid experience in valuation of real estate, plant & machinery, business interests and intangible assets.

The Valuer has confirmed its independence from the Target Group, the GoFintech Group, the Wealthink AI Group and/or any of their respective connected persons as at the Latest Practicable Date.

***Fairness and reasonableness of the valuation methodology***

The selection of the Valuer's valuation approach is based on, among other criteria, the quantity and quality of the information provided, access to available data, supply of relevant market transactions, type and nature of the subject asset, purpose and objective of the Valuation, professional judgment and technical expertise.

The cost approach does not directly incorporate information about the economic benefits contributed by the subject asset, and it is generally applied to newly established companies or a company that is unable to conduct effective assessment by using income approach or market approach. The income approach heavily relies on subjective assumptions where the valuation is highly sensitive to long-term financial projections and detailed operation information to derive an indication of value.

The market approach was considered by the Valuer to be the most appropriate valuation approach in the Valuation, as it is the most direct valuation approach which reflects the value obtained as a result of a consensus of what others in the marketplace have judged it to be.

As advised by the Valuer, the valuation methodology adopted in the Valuation is in line with market practice.

***Fairness and reasonableness of the valuation multiples***

For the valuation of the Target Company, the Valuer has adopted the average of EV/EBITDA, P/E and P/AUM multiple in assessing the Target Company as the Target Company is an asset management company which has stable profitability. EV/EBITDA and P/E multiple are commonly used for companies which are continuously profitable. The Valuer also adopted P/AUM multiple, which is target-specific to consider the effect of the size of asset management companies, as the difference between AUM of comparable companies differs greatly.

With the adoption of the market approach, the Valuer deems that the average of multiples of comparables directly reflects the value of the Target Company in the marketplace. The Valuer has derived the value of the Target Company from its financial position with the P/E multiple, EV/EBITDA multiple and P/AUM multiple respectively. In addition to using the P/E multiple and EV/EBITDA multiple, the Valuer has incorporated the P/AUM multiple as the Target Company operates in the asset management business. The Valuer did not consider other price multiples due to the Target Company's profitability, its intangible assets and its tax effects.

Despite of the wide range of the P/E ratio and the EV/EBITDA ratio mentioned above, the Valuer deems them suitable for the Valuation as the Valuer considers that the price multiples as at the Valuation date justifiable and in line with market expectations, without the need for data trimming.

***Fairness and reasonableness of the selection criteria of the comparable companies***

The selection of comparable companies follows the business segment and target market of the Target Company, comparable companies with asset management services mainly as their revenue segment and which mainly operate in the Asia Pacific region will fall into the selection of being comparable. It is confirmed by the Valuer that the selection of comparable companies is exhaustive, with all the comparable companies being profitable.

***Reason for the particularly high P/E ratio of Value Partners Group Limited and the particularly low P/E ratio and EV/EBITDA multiple of Azimut Holding S.p.A. as compared to other comparable companies***

For Value Partners Group Limited (806.HK), the Valuer looked into its past earnings and historical price, there are not any abnormal volatility change in price in the past 3 years. The particularly high P/E ratio in Value Partners Group Limited is due to its low earnings as at the Valuation date. The Valuer did not consider it to be outlier as the Valuer considered the Value Partners Group Limited's high P/E ratio did account for its high

anticipations from investors resulting in its high P/E ratio, thus the Valuer did not consider that it should be excluded from the analysis. Hence, the Valuer decided that the high P/E ratio is reasonable compared to other comparable companies. For Azimut Holdings S.p.A (AZM IM Equity), the low price multiples are due to higher earnings ratio compared with other comparables and there are no abnormal volatility changes in price in the last 3 years as at the date of the Valuation. The low ratios in EV/EBITDA and P/E indicate that the Azimut Holdings S.p.A is trading at a low price with high earnings, while its P/AUM ratio lies within the range of the comparables. The Valuer deemed it necessary to include the comparables in the analysis. The Valuer did not find it necessary to exclude a profitable asset management company based on market sentiment. As the comparable list is exhaustive, the Valuer deemed that it would be probable to include all comparables after selection.

***Fairness and reasonableness of the 20.4% discount for lack of marketability adopted in the valuation of the Target Company***

As the firm practice of the Valuer, the 20.4% discount of lack of marketability was adopted. The discount rate was referred from the research result of Stout Restricted Stock Study, published by Business Valuation Resources, LLC in 2025 with mean of 20.4% of total of 779 transactions in their database.

***Sufficiency of the scope of work performed by the Valuer***

The scope of work performed by the Valuer was considered by the Wealthink AI Board to be sufficient.

**Views of the GoFintech Board and the Wealthink AI Board on the Valuation**

Taking into account the above and having considered (i) the Valuation was prepared by the Valuer in accordance with the applicable requirements and standards; (ii) the Valuer has considered the generally accepted business enterprise valuation approaches and the circumstances of the Target Company (including its market position, size and reputation) before adopting the market approach; and (iii) the Valuer has adopted EV/EBITDA multiple, P/AUM multiple and P/E multiple, which are appropriate and relevant for the purpose of the Valuation, with reference to the information of the comparable companies. The GoFintech Board and the Wealthink AI Board are of the view that the adoption of the market approach for the Valuation is fair and reasonable and reflects the expectation of the market, and the Valuation serves as a fair and reasonable reference to determine the Consideration.

The Consideration was arrived at based on normal commercial terms after arm's length negotiation among the parties to the Sale and Purchase Agreement after taking into account, among others, the following:

(i) the market value of the equity interest of the Target Company based on valuation on the fair value of the Sale Shares of approximately HK$1,110,000,000 as at 30 September 2024 conducted by the Valuer under the market approach;

(ii) the historical financial performance and future prospect of the Target Company as described under the paragraph headed "Financial Information of the Target Group" below in this joint circular, the accountants' report of the Target Group as set out in Appendix III of this joint circular, and management discussion and analysis of the Target Company as set out in Appendix V of this joint circular;

(iii) assets under management, capital inflow and the market status of the Target Company as described via the management discussion and analysis of the Target Company as set out in Appendix V of this joint circular; and

(iv) other reasons and benefits as described under the paragraph headed "**REASONS FOR AND BENEFITS OF THE TRANSACTION**" below in this joint circular.

In light of the above, the Wealthink AI Directors are of the view that the Consideration is fair and reasonable, and in the interests of Wealthink AI and the Wealthink AI Shareholders as a whole.

**The Consideration Shares and Issue Price**

The Consideration Shares represent (i) approximately 18.27% of the issued share capital of GoFintech as at the Latest Practicable Date; and (ii) approximately 15.45% of the issued share capital of GoFintech as enlarged by the allotment and issuance of the Consideration Shares (assuming that there will be no change in the issued share capital of GoFintech other than the allotment and issuance of Consideration Shares between the Latest Practicable Date and Completion).

The Issue Price was arrived at after arm's length negotiation among the parties to the Sale and Purchase Agreement with reference to recent market prices of GoFintech Shares. The Issue Price represents:

(i) a discount of approximately 44.37% to the closing price of HK$1.42 per GoFintech Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) the closing price of HK$0.79 per GoFintech Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement;

(iii) a premium of approximately 1.54% to the average of the closing price of HK$0.778 per GoFintech Share as quoted on the Stock Exchange for the five trading days immediately prior to the date of the Sale and Purchase Agreement;

(iv) a premium of approximately 2.20% to the average of the closing price of HK$0.773 per GoFintech Share as quoted on the Stock Exchange for the ten trading days immediately prior to the date of the Sale and Purchase Agreement; and

(v) the aggregate nominal value of the Consideration Shares will be HK$140,506,329.

The Issue Price was determined after arm's length negotiations between the Purchaser and the Vendor, with reference to, among other things, (i) the trading performance of the Consideration Shares including the historical trading prices of the Considerations Shares and its trend, the growing market performance of the Consideration Shares, the closing price of HK$0.79 per GoFintech Share on the date of the Sale and Purchase Agreement, and the range of average closing prices from HK$0.773 to HK$0.778 per GoFintech Share over different periods as set out above; (ii) the Valuation of the market value of the Sales Shares of approximately HK$1,110,000,000 based on the valuation report of the Target Company as set out in Appendix IV of this joint circular; (iii) the financial position and business prospects of the Target Company based on the management discussion and analysis of the Target Company as set out in Appendix V of this joint circular; and (iv) the reasons as discussed in the paragraph headed "REASONS FOR AND BENEFITS OF THE TRANSACTION" below in this joint circular. The Issue Price represents a slight premium to the average closing price of GoFintech Share as quoted on the Stock Exchange for the five and ten trading days immediately prior to the date of the Sale and Purchase Agreement, which reflects the continuing support and solid confidence given by Wealthink AI to GoFintech towards the long-term and sustainable growth of the GoFintech Group.

In light of the above, the Wealthink AI Directors are of the view that the Issue Price is fair and reasonable, and in the interests of Wealthink AI and the Wealthink AI Shareholders as a whole.

The Consideration Shares will be allotted and issued under the Specific Mandate to be approved by the GoFintech Shareholders at the GoFintech EGM. The Consideration Shares, credited as fully paid, when allotted and issued, will rank *pari passu* in all respects among themselves and with the GoFintech Shares in issue on the date of such allotment and issue, including the right to receive all dividends and distributions which may be declared, made or paid after Completion and will be issued free and clean of all liens, encumbrances, equities or other third party rights.

An application will be made by GoFintech to the Stock Exchange for the approval for the listing of, and permission to deal in, the Consideration Shares. No part of the equity or debt securities of GoFintech is listed or dealt in on any other stock exchanges other than the Stock Exchange and no such listing or permission to deal in is being or is currently proposed to be sought from any other stock exchange.

**Completion**

Completion of the Transaction shall take place on the fifth (5th) Business Day after which all Conditions Precedent have been fulfilled (or waived, as the case may be), or on any other date as the parties to the Sale and Purchase Agreement may agree in writing.

Upon Completion, (i) GoFintech will hold the Sale Shares, representing 22.50% of the entire issued share capital of the Target Company; (ii) the financial results of the Target Company will be accounted for in the consolidated financial statements of GoFintech as investment in an associate using the equity method of accounting; and (iii) GoFintech will become a substantial shareholder of the Target Company.

Pursuant to the Sale and Purchase Agreement, it is agreed among the parties that all Consideration Shares in its entirety will be allotted and issued to Wealthink AI upon Completion. Therefore, upon Completion, Wealthink AI will be beneficially interested in a total number of 1,405,063,292 GoFintech Shares representing approximately 15.45% of the issued share capital of GoFintech as enlarged by the allotment and issuance of the Consideration Shares (assuming that there will be no change in the issued share capital of GoFintech other than the allotment and issuance of Consideration Shares between the Latest Practicable Date and Completion). The aforesaid equity interest will be treated as ''Investments at fair value through profit or loss'', which are subsequently measured at fair value with any gains or losses arising from changes in fair values recognised in profit or loss. The fair value gains or losses recognised in profit or loss are net of any interest income and dividend income. Interest income and dividend income are recognised in profit or loss. There will be no restrictions on the subsequent sale of the Consideration Shares.

It is expected that Wealthink AI will not have any nomination right for GoFintech Directors upon Completion.

## EFFECTS ON SHAREHOLDINGS STRUCTURE OF GOFINTECH

Wealthink AI will not have any director nomination right in GoFintech upon Completion.

Assuming that there will be no change in the issued share capital of GoFintech other than the allotment and issuance of the Consideration Shares between the Latest Practicable Date and Completion, the shareholding structure of GoFintech (i) as at the Latest Practicable Date; and (ii) immediately upon Completion with the allotment and issuance of the Consideration Shares are set out below for illustrative purposes:

| **GoFintech Shareholders** | **As at the Latest Practicable Date** | | **Immediately upon Completion with the allotment and issuance of the Consideration Shares** | |
|---|---|---|---|---|
| | *No. of GoFintech Shares* | *Approximate %* | *No. of GoFintech Shares* | *Approximate %* |
| Dr. Liu | 1,584,311,151 | 20.60 | 1,584,311,151 | 17.42 |
| Mr. Wang Tao *(Note 1)* | 406,102,308 | 5.28 | 406,102,308 | 4.46 |
| PS Trust Limited *(Note 2)* | 518,400,000 | 6.74 | 518,400,000 | 5.70 |
| Wealthink AI | – | – | 1,405,063,292 | 15.45 |
| Public Shareholders | 5,181,161,540 | 67.38 | 5,181,161,540 | 56.97 |
| **Total** *(Note 3)***:** | **7,689,974,999** | **100.00** | **9,095,038,291** | **100.00** |

*Note:*

1. As at the Latest Practicable Date, Mr. Wang Tao was the beneficial owner of 406,102,308 GoFintech Shares. To the best of the GoFintech Directors' knowledge, information and belief after making reasonable enquiries, Mr. Wang Tao is not related to any GoFintech Director, senior management or substantial shareholder of GoFintech, nor does he hold any positions in GoFintech or its subsidiaries.

2. PS Trust Limited is the trustee of an ESOP trust whose nominee company is GoFintech ESOP Limited. GoFintech ESOP Limited directly holds the shares of GoFintech issued and allotted to the trustee under the share award scheme adopted by GoFintech on 3 June 2024. PS Trust Limited holds these shares indirectly through GoFintech ESOP Limited. GoFintech granted a total of 103,680,000 shares awards to a total of 38 GoFintech Directors and employees of GoFintech on 26 July 2024.

3. GoFintech Shareholders and public investors should note that the above shareholding percentages for shareholding have been rounded to two decimal places. Accordingly, the total percentage may not be equal to the apparent total percentage.

## INFORMATION OF THE PURCHASER

The Purchaser, GoFintech, is an investment holding company incorporated in the Cayman Islands with limited liability. As at the Latest Practicable Date, the GoFintech Shares were listed on the main board of the Stock Exchange (stock code: 290). GoFintech and its subsidiaries are collectively a cross-border, cross-industry investment platform based in Hong Kong with focus on financial technology innovation, backed by the Greater Bay Area, and with focus on the international market. GoFintech has a strong presence in the financial services sector, comprising subsidiaries which (i) are corporations licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (Advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO; and (ii) provide money lending services. The principally-engaged businesses of GoFintech include investment banking, securities brokerage, asset management, margin financing, money lending, debt and equity investment and immigration consulting.

## INFORMATION OF THE VENDOR

The Vendor, Wealthink AI, was incorporated in the Cayman Islands as an exempted company with limited liability. As at the Latest Practicable Date, the Wealthink AI Shares were listed on the main board of the Stock Exchange as an investment company regulated under Chapter 21 of the Listing Rules. Wealthink AI is principally engaged in investment holding activities in Hong Kong, the PRC and the USA, with the involvement of investment in a diversified portfolio of global investments with respect to both listed and private enterprises.

As at the Latest Practicable Date, Wealthink AI was indirectly owned as to 29.13% by GoFintech. GoFintech is therefore a substantial shareholder and a connected person of Wealthink AI under the Listing Rules; while Wealthink AI is an associated corporation of GoFintech within the meaning of the SFO.

## INFORMATION ON THE TARGET COMPANY

The Target Company was jointly established by Wealthink AI and China Southern Asset Management Co., Ltd. in 2008. As at the Latest Practicable Date, Wealthink AI owned 22.50% of the entire issued capital of the Target Company.

The Target Company is a well-known asset management company incorporated and based in Hong Kong, which manages private and public funds, and provides investment advisory services to Asian and global investors with a dedicated focus on investment in the PRC. As a leading cross-border asset management expert in respect of AUM, the Target Company provides investment solutions across asset classes and strategies to sovereign wealth funds, pension funds, and other institutional investors. The Target Company is committed to providing investors with a flexible and efficient asset allocation tool through simple, transparent, and innovative products.

Upon Completion, the Target Company will be owned as to 52.50% by China Southern Asset Management Co., Ltd., 25.00% by Kingston Smart Limited and 22.50% by GoFintech.

To the best knowledge, information and belief of the Wealthink AI Directors, having made all reasonable enquiries, China Southern Asset Management Co., Ltd. and its ultimate beneficial owner(s) are third parties independent of GoFintech and Wealthink AI and their respective connected persons.

Kingston Smart Limited is an employee shareholding platform of the senior management of the Target Company. To the best knowledge, information and belief of the GoFintech Directors and the Wealthink AI Directors, having made all reasonable enquiries, Kingston Smart Limited and its ultimate beneficial owner(s) are third parties independent of GoFintech and Wealthink AI and their respective connected persons.

The acquisition cost of the Sale Shares by Wealthink AI in the amount of approximately HK$60.00 million represents the capital injection by Wealthink AI for the establishment of the Target Company.

**Financial Information of the Target Group**

Set out below is the audited consolidated financial information of the Target Group for the years ended 31 December 2022, 31 December 2023 and 31 December 2024 respectively.

| | **For the year ended 31 December 2024** | **For the year ended 31 December 2023** | **For the year ended 31 December 2022** |
|---|---|---|---|
| | (audited) | (audited) | (audited) |
| | *(HK$'000)* | *(HK$'000)* | *(HK$'000)* |
| Revenue | 981,390 | 768,419 | 586,460 |
| Profit before tax | 408,236 | 313,671 | 211,021 |
| Profit after tax | 356,499 | 279,190 | 193,128 |
| Net Assets | 773,599 | 691,997 | 596,235 |

**REASONS FOR AND BENEFITS OF THE TRANSACTION**

The Wealthink AI Directors are of the view that the Disposal is beneficial to Wealthink AI for reasons elaborated below.

***Realization of Asset Value:*** By disposing the Target Company at its market valuation of HK$1,110,000,000, Wealthink AI unlocks significant value from the investment, previously recorded at a book value of HK$151 million. The Disposal, achieving approximately 7 times the price-to-book ratio, allows Wealthink AI to recognize the true economic potential of its assets.

This recognition enhances Wealthink AI's financial profile and demonstrates a strategic capability to execute value-accretive transactions. Upon completion of the Disposal, the amount of investments in associates and joint ventures that will continue to be held by Wealthink AI will decrease to approximately HK$519.31 million, whereas the total amount of investments at fair value through profit or loss (excluding the fair value of the Consideration Shares) will remain at approximately HK$7,535.51 million. For further details, please refer to the section headed "INVESTMENTS IN ASSOCIATES AND JOINT VENTURES" as set out in Appendix XI of this joint circular.

***Increased Liquidity of Assets:*** Acquiring equity interests in GoFintech provides Wealthink AI with a highly liquid asset, easily convertible into cash. As a listed security, the Consideration Shares offer flexibility for strategic financial management, allowing Wealthink AI to optimize cash flow and manage working capital efficiently. This liquidity supports operational agility, enabling Wealthink AI to swiftly capitalize on emerging market opportunities and invest in future growth initiatives, maintaining a competitive advantage.

***Strategic Investment Benefit from the Growth Potentials of GoFintech:*** the equity interests in GoFintech position Wealthink AI to benefit from its robust prospects as an innovative cross-border, cross-industry investment platform. GoFintech's focus on financial technology innovation, along with its strong presence in the Greater Bay Area and international markets adds attractiveness to the investment. By remaining indirectly involved in the Target Company and benefiting from synergies with GoFintech in investment banking, asset management, and financial services, Wealthink AI will be able to strengthen its position and capitalise on opportunities in the investment industry with the assistance of GoFintech's capabilities. The Wealthink AI Directors are of the view that acquiring equity interests in GoFintech will allow Wealthink AI to benefit from the growth of GoFintech's financial performance as well as its capital market performance.

Accordingly, the Wealthink AI Directors (including the members of the Wealthink AI Independent Board Committee whose views are set out in the letter from the Wealthink AI Independent Board Committee set out on pages IBC-1 to IBC-2 of this joint circular after receiving advice from the Wealthink AI Independent Financial Adviser) are of the view that the Sale and Purchase Agreement is on normal commercial terms, fair and reasonable and in the interests of Wealthink AI and the Wealthink AI Independent Shareholders as a whole.

**FINANCIAL IMPACT OF THE TRANSACTION**

Upon completion of the Disposal, Wealthink AI will cease to have any equity interest in the Target Company. The financial results of the Target Company will cease to be accounted for in the consolidated financial statements of Wealthink AI as investment in an associate and share of results of an associate using the equity method of accounting.

It is estimated that Wealthink AI will record a gain on the Disposal of approximately HK$1,839.41 million, calculated with reference to the difference between (i) the estimated fair value of the Consideration Shares in the amount of approximately HK$1,995.19 million, which is calculated based on 1,405,063,292 Consideration Shares to be received by Wealthink AI upon Completion at the market price of approximately HK$1.42 per Consideration Share as of the Latest Practicable Date; (ii) the carrying amount of the Sale Shares of HK$151.00 million as at 30 September 2024; and (iii) the estimated transaction costs of approximately HK$4.78 million.

As for assets and liabilities, it is expected that the total assets of Wealthink AI would increase by approximately HK$1,839.41 million from approximately HK$10,528.76 million to approximately HK$12,368.17 million, while the total liabilities of Wealthink AI would remain unchanged, resulting in an increase of net assets of Wealthink AI from approximately HK$10,009.50 million to approximately HK$11,848.91 million.

The above financial impact is shown for illustrative purpose only and the actual gain or loss as a result of the Disposal is subject to, among other things, the market value of the Consideration Shares on the date of Completion, the audited consolidated net asset value of the Target Company on the date of Completion and the audit to be conducted by the auditors of GoFintech and Wealthink AI.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal for Wealthink AI under Chapter 14 of the Listing Rules. As at the Latest Practicable Date, Wealthink AI was indirectly owned as to 29.13% by GoFintech, hence, GoFintech is a substantial shareholder and a connected person of Wealthink AI. Accordingly, the Disposal constitutes a connected transaction for Wealthink AI under Chapter 14A of the Listing Rules and is subject to the notification, announcement, circular, independent financial advice, independent shareholders' approval and reporting requirements under Chapter 14 and Chapter 14A of the Listing Rules.

GoFintech and Dr. Liu (which together controlled or were entitled to exercise control over voting rights of 29.35% of Wealthink AI Shares as at the Latest Practicable Date) will abstain from voting at the Wealthink AI EGM.

Save for the aforementioned and to the best of the knowledge, information and belief of the Wealthink AI Directors having made all reasonable enquiries, no other Wealthink AI Shareholder or Wealthink AI Director has a material interest in the Disposal and is required to abstain from voting on the resolution(s) approving the Disposal, the Sale and Purchase Agreement and the transactions contemplated thereunder at the Wealthink AI EGM or Wealthink AI Board meeting.

## WEALTHINK AI INDEPENDENT BOARD COMMITTEE AND WEALTHINK AI INDEPENDENT FINANCIAL ADVISER

The Wealthink AI Independent Board Committee comprising all the independent non-executive Wealthink AI Directors namely Mr. YAN Xiaotian, Mr. ZHAO Kai and Mr. YANG Songbin, has been formed to consider, and make recommendations to the Wealthink AI Independent Shareholders regarding, among other things, whether the Disposal, the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of Wealthink AI and the Wealthink AI Shareholders as a whole. None of the members of the Wealthink AI Independent Board Committee has any interest or involvement in the transactions contemplated under the Sale and Purchase Agreement.

Pursuant to Rule 13.39(6) of the Listing Rules, Draco Capital Limited has been appointed as the Wealthink AI Independent Financial Adviser to advise the Wealthink AI Independent Board Committee and the Wealthink AI Independent Shareholders in respect of the Disposal, the Sale and Purchase Agreement and the transactions contemplated thereunder.

## THE WEALTHINK AI EGM

The Wealthink AI EGM will be convened and held for the Wealthink AI Independent Shareholders to consider and, if thought fit, pass resolution(s) to approve, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Disposal.

A notice convening the Wealthink AI EGM is set out on pages EGM-Wealthink AI-1 to EGM-Wealthink AI-3 of this joint circular. Whether or not the Wealthink AI Independent Shareholders intend to attend the Wealthink AI EGM in person or via eVoting Portal, they are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to Wealthink AI's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the Wealthink AI EGM (i.e. at or before 11:00 a.m. on Sunday, 13 July 2025 (Hong Kong time)) or any adjournment thereof (as the case may be). The completion and return of the form of proxy will not preclude the Wealthink AI Independent Shareholders from attending and voting at the Wealthink AI EGM in person or via eVoting Portal or any adjournment thereof if they so wish.

## RECOMMENDATIONS

The Wealthink AI Directors (including the independent non-executive Wealthink AI Directors, whose opinions and recommendation, after considering the advice from the Wealthink AI Independent Financial Adviser, are set out in the section headed "Letter from the Wealthink AI Independent Board Committee" in this joint circular) consider that the Disposal, the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and are

in the interests of Wealthink AI and the Wealthink AI Independent Shareholders as a whole, and therefore recommend the Wealthink AI Independent Shareholders to vote in favour of the resolutions to be proposed at the Wealthink AI EGM.

**RESPONSIBILITY STATEMENT**

This joint circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to Wealthink AI. The Wealthink AI Directors collectively and individually accept full responsibility for the accuracy of the information contained in this joint circular and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

**ADDITIONAL INFORMATION**

Your attention is drawn to the letter from the Wealthink AI Independent Board Committee set out on pages IBC-1 to IBC-2 of this joint circular which contains its recommendation to the Wealthink AI Independent Shareholders in relation to the Disposal, the Sale and Purchase Agreement and the transactions contemplated thereunder, and the letter of advice from the Wealthink AI Independent Financial Adviser set out in pages IFA-1 to IFA-34 of this joint circular which contains its advice to the Wealthink AI Independent Board Committee and the Wealthink AI Independent Shareholders in connection with the Sale and Purchase Agreement and the transactions contemplated thereunder. Furthermore, your attention is also drawn to the additional information set out in the appendices to this joint circular.

**WARNING**

**Completion of the Sale and Purchase Agreement is subject to the fulfilment of a number of conditions precedent, which among other things, include the approval of GoFintech Shareholders and the approval of the Wealthink AI Independent Shareholders. Hence, the transactions contemplated under the Sale and Purchase Agreement may or may not proceed.**

**You are advised to exercise caution when dealing in the securities of Wealthink AI and if you are in any doubt about your position, you should consult your professional advisers.**

Yours faithfully,
For and on behalf of the Wealthink AI Board
**Wealthink AI International Limited**
**Wang Qin**
*Chairman*

*The following is the text of a letter from the Wealthink AI Independent Board Committee setting out its advice and recommendation to the Wealthink AI Independent Shareholders in respect of the Disposal, the Sale and Purchase Agreement and the transactions contemplated thereunder.*

华科智能
WEALTHINK AI

# WEALTHINK AI-INNOVATION CAPITAL LIMITED
# 華科智能投資有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1140)**

25 June 2025

*To the Wealthink AI Independent Shareholders*

Dear Sir or Madam,

## VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION

We refer to the joint circular dated 25 June 2025 issued by GoFintech and Wealthink AI (the "**Joint Circular**"), of which this letter forms part. Terms used in this letter shall bear the same meanings as given to them in the Joint Circular unless the context otherwise requires.

We have been appointed as members of the Wealthink AI Independent Board Committee to consider the Disposal, the Sale and Purchase Agreement and the transactions contemplated thereunder and to advise the Wealthink AI Independent Shareholders as to the fairness and reasonableness of the aforesaid matters, and to recommend how the Wealthink AI Independent Shareholders should vote at the Wealthink AI EGM. Draco Capital Limited has been appointed as the Wealthink AI Independent Financial Adviser to advise the Wealthink AI Independent Board Committee and the Wealthink AI Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Wealthink AI Board, as set out on pages 33 to 58 of the Joint Circular, and the letter from the Wealthink AI Independent Financial Adviser to the Wealthink AI Independent Board Committee and the Wealthink AI Independent Shareholders which contains its advice to us in respect of the Disposal, the Sale and Purchase Agreement and the transactions contemplated thereunder, as set out on pages IFA-1 to IFA-34 of the Joint Circular.

Having taken into account the (i) terms of the Sale and Purchase Agreement and the transactions contemplated thereunder; and (ii) the factors referred to in the "Letter from the Wealthink AI Independent Financial Adviser" in the Joint Circular, we are of the opinion that despite the entering into of the Sale and Purchase Agreement was not in the ordinary and usual course of business of Wealthink AI, the Disposal, the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are (i) fair and reasonable so far as the Wealthink AI Shareholders (including the Wealthink AI Independent Shareholders) are concerned; (ii) on normal commercial terms; and (iii) in the interests of the Wealthink AI Group and the Wealthink AI Shareholders as a whole. Accordingly, we recommend the Wealthink AI Independent Shareholders to vote in favour of the resolutions to be proposed at the Wealthink AI EGM to approve the Disposal, the Sale and Purchase Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of the Wealthink AI Independent Board Committee
**Wealthink AI-Innovation Capital Limited**

| **Mr. YAN Xiaotian** | **Mr. ZHAO Kai** | **Mr. YANG Songbin** |
|---|---|---|
| *Independent Non-Executive Director* | *Independent Non-Executive Director* | *Independent Non-Executive Director* |

*The following is the full text of the letter from Draco Capital Limited setting out their advice to the Wealthink AI Independent Board Committee and the Wealthink AI Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.*

龍盛資本有限公司
Draco Capital Limited

4/F Connaught Harbourfront House
35 Connaught Road West,
Sheung Wan, Hong Kong

25 June 2025

*To the Wealthink AI Independent Board Committee and the Wealthink AI Independent Shareholders of Wealthink AI-Innovation Capital Limited*

Dear Sir or Madam,

## (I) VERY SUBSTANTIAL DISPOSAL; AND (II) CONNECTED TRANSACTIONS

### INTRODUCTION

We refer to our appointment as the Wealthink AI Independent Financial Adviser to advise the Wealthink AI Independent Board Committee and the Wealthink AI Independent Shareholders in relation to the entering into of the Sale and Purchase Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 25 June 2025 issued by Wealthink AI to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

Reference is made to the Joint Announcement in relation to, among other things, the Disposal.

### LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal for Wealthink AI under Chapter 14 of the Listing Rules. As at Latest Practicable Date, Wealthink AI was indirectly owned as to 29.13% by GoFintech, hence, GoFintech is a substantial shareholder and a connected person of Wealthink AI. Accordingly, the Disposal constitutes a connected transaction for Wealthink AI under Chapter 14A of the Listing Rules and is subject to the notification, announcement, circular, independent financial advice, independent shareholders' approval and reporting requirements under Chapter 14 and Chapter 14A of the Listing Rules.

GoFintech and Dr. Liu (which together controlled or were entitled to exercise control over voting rights of 29.35% of Wealthink AI Shares as at the Latest Practicable Date) will abstain from voting at the Wealthink AI EGM.

Save for the aforementioned and to the best of the knowledge, information and belief of the director of Wealthink AI Directors having made all reasonable enquiries, no other Wealthink AI Shareholder has a material interest in the Disposal and is required to abstain from voting on the resolution(s) approving the Disposal, the Sale and Purchase Agreement and the transactions contemplated thereunder at the Wealthink AI EGM.

**WEALTHINK AI INDEPENDENT BOARD COMMITTEE**

The Wealthink AI Independent Board Committee, consisting of Mr. YAN Xiaotian, Mr. ZHAO Kai and Mr. YANG Songbin, all being independent non-executive Directors, has been formed to consider, and make recommendations to the Wealthink AI Independent Shareholders regarding, among other things, whether the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of Wealthink AI and the Wealthink AI Shareholders as a whole. None of the members of the Wealthink AI Independent Board Committee has any interest or involvement in the transactions contemplated under the Sale and Purchase Agreement.

**OUR INDEPENDENCE**

During the past two years immediately preceding the IFA Obligation Commencement Time (as defined under Rule 13.84 of the Listing Rule), apart from our appointment as the independent financial adviser of GoFintech to advise the then independent board committee and the independent shareholders of GoFintech in relation to (i) the proposed connected transaction of loan capitalisation involving the issue of new shares under specific mandate, which is announced by GoFintech on 29 April 2025; (ii) the very substantial acquisition and connect transaction, details of which are set out in the circular of GoFintech dated 17 September 2024; (iii) the proposed rights issue, details of which are set out in the circular of GoFintech dated 1 December 2023; and (iv) the proposed refreshment of general mandate, details of which are set out in the circular of GoFintech dated 20 June 2023, we have not acted in any capacity in relation to any transactions of GoFintech or Wealthink AI. As at the Latest Practicable Date, we do not have any relationship with, or have any interest in, Wealthink AI and its associates that could reasonably be regarded as relevant to our independence. Apart from normal professional fee payable to us by Wealthink AI in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from Wealthink AI or any of its subsidiaries or the Wealthink AI Directors of Wealthink AI, chief executive and substantial shareholders of Wealthink AI or GoFintech or any of its subsidiaries or their respective associates, and any parties acting in concert with them. As at the Latest Practicable Date, there were no relationships or interests

between (a) Wealthink AI, GoFintech and their respective subsidiaries and associates; and (b) us that could reasonably be regarded as a hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the Wealthink AI Independent Financial Adviser. Therefore, we consider ourselves eligible to act as the Wealthink AI Independent Financial Adviser to Wealthink AI under the requirements of the Listing Rules.

**BASIS OF OUR OPINION**

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

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

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

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

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

## PRINCIPAL FACTORS AND REASONS CONSIDERED

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

### 1 Background Information of the Parties to the Sale and Purchase Agreement

#### *1.1 Information of Wealthink AI*

The Vendor, Wealthink AI, was incorporated in the Cayman Islands as an exempted company with limited liability. As at the Latest Practicable Date, the Wealthink AI Shares were listed on the main board of the Stock Exchange as an investment company regulated under Chapter 21 of the Listing Rules. Wealthink AI is principally engaged in investment holding activities in Hong Kong, the PRC and the USA, with the involvement of investment in a diversified portfolio of global investments with respect to both listed and private enterprises.

As at the Latest Practicable Date, Wealthink AI was indirectly owned as to 29.13% by GoFintech. GoFintech is therefore a substantial shareholder and a connected person of Wealthink AI under the Listing Rules; while Wealthink AI is an associated corporation of GoFintech within the meaning of the SFO.

### *1.2 Financial Performance on Wealthink AI*

*FY2024 vs FY2023*

With reference to the annual report of Wealthink AI for the year ended 31 March 2024 ("**FY2023/2024**"), Wealthink AI is a cross-border investor with a focus on China's fast-growing industries and the best investment opportunities. Wealthink AI leverages its capital strength to invest in targeted companies, with returns primarily generated from interests, dividends and capital appreciation. In FY2023/2024, in view of changes in market environment and the strategic development needs of Wealthink AI, it underwent comprehensive adjustments and optimization of our investment strategy. Wealthink AI re-established our four-core investment strategy, namely core-holding-centered unlisted equity investment, debt investment, fund investment and listed equity investment.

During year 2023, due to the volatile international trading environment, the sluggish internal consumption market and the increasing geopolitical risk, China's economy was still exposed to downward pressure. Against this backdrop, the capital markets in Mainland China and Hong Kong showed relative weakness, which brought certain challenges to Wealthink AI's investment business and post-investment management. Confronted by the volatility and uncertainty of the market, Wealthink AI adhered to the principle of investment diversity and risk diversification, prudently evaluated various investment opportunities, and comprehensively adjusted and improved investment strategies. Through various asset categories including investments in unlisted equity, debt, fund and listed equity, Wealthink AI further improved the diversity and stability of its investment portfolio. In addition, under the complex and ever-changing economic situation, Wealthink AI is also striving to identify certain industrial trends and focus Wealthink AI's investment on the emerging technology fields while continuing to strengthen strategic execution in the technology field.

During FY2023/2024 (as of 31 March 2024), Wealthink AI exercised extra prudence on new equity investments and strove for the maximum value of Wealthink AI's capital and the financing capability as a public company. Wealthink AI's investment and divestment decisions are made based on comprehensive considerations and assessments of return, risk and opportunity cost. During FY2023/2024, Wealthink AI's new investments amounted to HK$3,837.48 million, and Wealthink AI's divestments amounted to HK$3,337.07 million.

In FY2023/2024, Wealthink AI underwent comprehensive adjustments and optimization of Wealthink AI's investment strategy. During FY2023/2024, Wealthink AI's investment strategy was comprised of four pillars, namely core-holding-cantered unlisted equity investment, debt investment, fund investment and listed equity investment.

Unlisted equity investment strategy focuses on exploring and investing in unlisted enterprises with long-term growth potential, providing necessary capital support for the enterprises through direct investment or purchase of economic interest, and sharing their growth dividends. Debt investment strategy aims to obtain stable and fixed income through purchase of bonds or providing loans. While fund investment strategy participates in diversified investment opportunities with the help of the industry experience and market insights of professional fund management companies, thereby realising the decentralized allocation and professional management of assets. Listed equity investment strategy mainly focusses on short-term investment opportunities in the secondary market in and outside China to balance the liquidity and rate of return of the portfolio. Combined with these four major investment strategies, Wealthink AI strives to build a balanced and efficient portfolio to bring continuous and steady investment returns to the shareholders.

As at 31 March 2024, in the unlisted equity investment category, 四川鴻鵠志遠教育管理集團有限公司("**鴻鵠教育**") was the largest investment; in the debt investment category, Hong Kong Nanshan Development Ltd 7.5% 23-05-2024 ("**Nanshan Bonds**") was the largest investment; in the fund investment category, the major investment was 青島萬峰時代領航股權投資中心 ("**時代領航基金**"); in the listed equity investment category, the major investment was China Zheshang Bank (2016.hk).

As at 31 March 2024, Wealthink AI's holdings in the debt investment category amounted to HK$3,749.49 million. Wealthink AI added investments of HK$1,471.95 million and exited from investments amounting to HK$1,054.28 million in total in this category during FY2023/2024. At the same time, Wealthink AI's portfolio of debt instruments recorded provision for expected credit losses ("**ECL**") under HKFRS 9 during FY2023/2024.

Wealthink AI Group makes investment decisions with the consideration of return, risk and liquidity. During FY2023/2024, the interest rate Wealthink AI charged for the debt investment, of which the borrowers were mainly investment companies, ranged from 7.00% to 10.00% as compared to 6.00% to 9.00% for the same period last year. The total interest income generated from debt investment was HK$307.66 million with loan tenures ranging from 270 days to 2 years, while the corresponding amount and range for the same period last year were HK$191.40 million and 180 days to 2 years, respectively.

Wealthink AI maintains regular communication with bond issuers and loan borrowers. As at the end of FY2023/2024, management have assessed the repayment ability of the issuers/borrowers for the determination of ECL provisions.

As at 31 March 2024, Wealthink AI's holdings in the fund investment category amounted to HK$1,755.43 million. Wealthink AI Group added investments of HK$489.00 million and exited from investments amounting to HK$1,675.29 million during FY2023/2024.

As at 31 March 2024, Wealthink AI's holdings in the listed equity investment category amounted to HK$217.91 million. During FY2023/2024, Wealthink AI made new investments in and divestments from some listed securities to enhance the capital liquidity and generated returns from capital gains.

*Net asset value:* As at 31 March 2024, Wealthink AI's net asset value was HK$9,912.62 million, or HK$0.94 per share, as compared to HK$10,010.76 million and HK$0.95 per share respectively as at 31 March 2023.

*Gearing:* The gearing ratio, which was calculated on the basis of total liabilities over total equity as at 31 March 2024, was 0.15 (31 March 2023: 0.14).

*Investments in associates and joint ventures:* It represents Wealthink AI's interests in companies accounted for using equity method such as CSOP and Treasure Up Ventures Limited ("**Treasure Up**"), etc. Assets value stood at HK$656.50 million as at 31 March 2024, representing a decrease of 28.79% as compared to HK$921.86 million as at 31 March 2023, mainly due to share of loss of Treasure Up and disposal of an associate along with disposal of a subsidiary during FY2023/2024.

*Investments at fair value through profit or loss:* It stood at HK$6,580.36 million as at 31 March 2024, representing a decrease of 1.17% as compared to HK$6,658.22 million as at 31 March 2023, mainly attributable to the depreciation of RMB.

*Debt investments:* It represents the investments in debt instruments as at 31 March 2024, which amounted to HK$3,749.49 million. The increase of 11.34% as compared to HK$3,367.46 million as at 31 March 2023 was due to new investments during FY2023/2024.

*Bank and cash balances:* As at 31 March 2024, Wealthink AI's bank and cash balances stood at HK$45.01 million (31 March 2023: HK$108.36 million). Wealthink AI manage its bank and cash balances principally on the basis of making good use of capital to achieve returns for shareholders and ensuring sufficient liquidity for Wealthink AI's working capital requirements.

Wealthink AI recorded a total revenue of HK$308.33 million during FY2023/2024, representing an increase of 59.97% as compared to HK$192.74 million for the same period last year. Wealthink AI recorded profit for FY2023/2024 of HK$53.65 million as compared to HK$146.38 million for the same period last year. FY2023/2024's results comprised of HK$308.33 million of revenue mainly generated from debt investments, HK$77.66 million of net other income and gains, but offset by HK$38.80 million of net change in unrealised loss on investments at fair value through profit or loss, HK$99.10 million of share of losses of associates and joint ventures, HK$86.37 million of finance costs, HK$61.94 million of operating and administrative expenses and HK$41.92 million of net realised loss on disposal of investments.

Wealthink AI's major sources of revenue currently is interest revenue from bank deposits and financial instruments held.

As at 31 March 2024, Wealthink AI had bank and cash balances of HK$45.01 million (31 March 2023: HK$108.36 million). Wealthink AI had an aggregate of HK$1,417.41 million loans as at 31 March 2024 (31 March 2023: HK$1,280.39 million), which primarily comprised of bank loans from Wealthink AI's principal bankers and interest-bearing borrowings from third parties. The debt-to-equity ratio (interest-bearing external borrowings divided by shareholders' equity) stood at 14.30% (31 March 2023: 12.09%) while the debt ratio (total borrowings divided by total assets) was 12.41% (31 March 2023: 11.26%). The current ratio (current assets divided by current liabilities) was 4.35 times (31 March 2023: 4.18 times).

For further information of the investment portfolio of Wealthink AI for FY2023/2024, please refer to the annual report 2024 of Wealthink AI.

*Interim 2024 vs Interim 2023*

With reference to the interim report of Wealthink AI for the six months ended 30 September 2024 ("**Interim 2024**"), external macro factors remain the major risks. The monetary stance of major central banks and the financial health of the US and European banking sectors affected global market performance. In mainland China, the pace of economic recovery, the extent of policy stimulus and Sino-US relations are the key focuses. Although the worldwide major stock markets resumed an upward trend after experiencing a rapid correction in the second quarter of 2024, the changes of international situation may affect the world's major economies, the global economy may be uncertain in the rest of 2024. Confronted by the volatility and uncertainty of the market, Wealthink AI adhered to the principle of investment diversity and risk diversification, prudently evaluated various investment opportunities, and

comprehensively adjusted and improved investment strategies. Through various asset categories including investments in unlisted equity, debt, fund and listed equity, Wealthink AI further improved the diversity and stability of Wealthink AI's investment portfolio. In addition, under the complex and ever-changing economic situation, Wealthink AI are also striving to identify certain industrial trends and focus Wealthink AI's investment on the emerging technology fields while continuing to strengthen strategic execution in the technology field.

During Interim 2024, Wealthink AI exercised extra prudence on new equity investments and strove for the maximum value of its capital and the financing capability as a public company. Wealthink AI's investment and divestment decisions are made based on comprehensive considerations and assessments of return, risk and opportunity cost. During Interim 2024, Wealthink AI's new investments amounted to HK$473.32 million, and Wealthink AI's divestments amounted to HK$1,253.95 million.

Since year 2023, Wealthink AI underwent comprehensive adjustments and optimization of Wealthink AI's investment strategy. During Interim 2024, Wealthink AI's investment strategy was comprised of four pillars, namely core-holding-cantered unlisted equity investments, debt investments, fund investments and listed equity investments.

Unlisted equity investment strategy focuses on exploring and investing in unlisted enterprises with long-term growth potential, providing necessary capital support for the enterprises through direct investment or purchase of economic interest, and sharing their growth dividends. Debt investment strategy aims to obtain stable and fixed income through purchase of bonds or providing loans. While fund investment strategy participates in diversified investment opportunities with the help of the industry experience and market insights of professional fund management companies, thereby realising the decentralized allocation and professional management of assets. Listed equity investment strategy mainly focuses on short-term investment opportunities in the secondary market in and outside China to balance the liquidity and rate of return of the portfolio. Combined with these four major investment strategies, Wealthink AI strives to build a balanced and efficient portfolio to bring continuous and steady investment returns to the shareholders.

As at 30 September 2024, in the unlisted equity investment category, 鴻鵠教育 was the largest investment; in the debt investment category, Nanshan Bonds was the largest investment; in the fund investment category, the major investment was時代領航基金; in the listed equity investment category, the major investment was China Zheshang Bank (2016.hk).

As at 30 September 2024, Wealthink AI's holdings in the debt investment category amounted to HK$2,787.16 million. Wealthink AI added investments of HK$165.00 million and exited from investments amounting to HK$1,128.01 million in total in this category during Interim 2024. At the same time, Wealthink AI's portfolio of debt instruments recorded provision for ECL under HKFRS 9 during Interim 2024.

Wealthink AI Group makes investment decisions with the consideration of return, risk and liquidity. During Interim 2024, the interest rate Wealthink AI charged for the debt investments, of which the borrowers were mainly investment companies, ranged from 7.00% to 10.00% as compared to 7.00% to 10.00% for the same period last year. The total interest income generated from debt investments was HK$120.51 million with loan tenures ranging from 6 months to 2 years, while the corresponding amount and range for the six months ended 30 September 2023 were HK$147.09 million and 9 months to 2 years, respectively.

Wealthink AI maintains regular communication with bond issuers and loan borrowers. As at the end of Interim 2024, management have assessed the repayment ability of the issuers/borrowers for the determination of ECL provisions.

As at 30 September 2024, Wealthink AI's holdings in the fund investment category amounted to HK$1,797.65 million. Wealthink AI Group added investments of HK$0.59 million and exited investments of HK$0.78 million during Interim 2024.

As at 30 September 2024, Wealthink AI's holdings in the listed equity investment category amounted to HK$141.86 million. During Interim 2024, Wealthink AI made new investments in and divestments from some listed securities to enhance the capital liquidity and generated returns from capital gains.

*Net asset value:* As at 30 September 2024, Wealthink AI Group's net asset value was HK$10,009.50 million, or HK$0.95 per share, as compared to HK$9,912.62 million and HK$0.94 per share respectively as at 31 March 2024.

*Gearing:* The gearing ratio, which was calculated on the basis of total liabilities over total equity as at 30 September 2024, was 0.05 (31 March 2024: 0.15).

*Investments in associates and joint ventures:* It represents Wealthink AI's interests in companies accounted for using equity method such as CSOP and TUVL, etc. Assets value stood at HK$670.31 million as at 30 September 2024, representing an increase of 2.10% as compared to HK$656.50 million as at 31 March 2024, mainly due to share of profit of CSOP during Interim 2024.

*Investments at fair value through profit or loss:* It stood at HK$6,750.74 million as at 30 September 2024, representing an increase of 2.59% as compared to HK$6,580.36 million as at 31 March 2024, mainly attributable to the appreciation of RMB.

*Debt investments:* It represents the investments in debt instruments as at 30 September 2024, which amounted to HK$2,787.16 million. The decrease of 25.67% as compared to HK$3,749.49 million as at 31 March 2024 was due to the redemption of Hong Kong Nanshan Development Limited 7.5% 23 May 2024 ("**Nanshan Bonds**") during Interim 2024.

*Bank and cash balances:* As at 30 September 2024, Wealthink AI's bank and cash balances stood at HK$87.36 million (31 March 2024: HK$45.01 million). Wealthink AI manage its bank and cash balances principally on the basis of making good use of capital to achieve returns for shareholders and ensuring sufficient liquidity for Wealthink AI's working capital requirements.

Wealthink AI recorded a total revenue of HK$128.90 million during Interim 2024, representing a decrease of 12.56% as compared to HK$147.42 million for the same period last year. Wealthink AI Group recorded profit for Interim 2024 of HK$24.37 million as compared to HK$23.15 million for the same period last year. Interim 2024 results mainly comprised of HK$120.51 million of revenue mainly generated from debt investments, HK$37.22 million net realised gain on disposal and distribution of investments, HK$25.05 million share of profits of associates and joint ventures, HK$8.29 million exchange difference and HK$8.07 million dividend income, but offset by HK$101.10 million net unrealised loss on investments at fair value through profit or loss, HK$31.05 million provision for expected credit losses, HK$25.07 million of finance costs and HK$18.25 million of operating and administrative expenses.

For further information of the investment portfolio of Wealthink AI for Interim 2024, please refer to the annual report 2024 of Wealthink AI.

### *1.3 Information of the Purchaser*

The Purchaser, GoFintech, is an investment holding company incorporated in the Cayman Islands with limited liability. As at the Latest Practicable Date, the GoFintech Shares were listed on the main board of the Stock Exchange (stock code: 290). GoFintech and its subsidiaries are collectively a cross-border, cross-industry investment platform based in Hong Kong with focus on financial technology innovation, backed by the Greater Bay Area, and with focus on the international market. GoFintech has a strong presence in the financial services sector, comprising subsidiaries which (i) are corporations licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (Advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO; and (ii) provide money lending services. The principally-engaged businesses of GoFintech include investment banking, securities brokerage, asset management, margin financing, money lending, debt and equity investment and immigration consulting.

## 2 Information and Financial Information of the Target Company

### *Information of the Target Company*

The Target Company was jointly established by Wealthink AI and China Southern Asset Management Co., Ltd. in 2008. As at the Latest Practicable Date, Wealthink AI owned 22.50% of the entire issued capital of the Target Company.

The Target Company is a well-known asset management company incorporated and based in Hong Kong, which manages private and public funds, and provides investment advisory services to Asian and global investors with a dedicated focus on investment in the PRC. As a leading cross-border asset management expert in respect of AUM, the Target Company provides investment solutions across asset classes and strategies to sovereign wealth funds, pension funds, and other institutional investors. The Target Company is committed to providing investors with a flexible and efficient asset allocation tool through simple, transparent, and innovative products.

Upon Completion, the Target Company will be owned as to 52.50% by China Southern Asset Management Co., Ltd., 25.00% by Kingston Smart Limited and 22.50% by GoFintech.

Kingston Smart Limited is an employee shareholding platform of the senior management of the Target Company. To the best knowledge, information and belief of the GoFintech Directors and the Wealthink AI Directors, having made all reasonable enquiries, Kingston Smart Limited and its ultimate beneficial owner(s) are third parties independent of GoFintech and Wealthink AI and their respective connected persons.

The acquisition cost of the Sale Shares by Wealthink AI in the amount of approximately HK$60.00 million represents the capital injection by Wealthink AI for the establishment of the Target Company.

***Financial Information of the Target Company***

Set out below is the audited consolidated financial information of the Target Company and its subsidiaries for the years ended 31 December 2022, 31 December 2023 and 31 December 2024 respectively.

| | **For the year ended 31 December 2024 (audited)** *(HK$'000)* | **For the year ended 31 December 2023 (audited)** *(HK$'000)* | **For the year ended 31 December 2022 (audited)** *(HK$'000)* |
|---|---|---|---|
| Revenue | 981,390 | 768,419 | 586,460 |
| Profit before tax | 408,236 | 313,671 | 211,021 |
| Profit after tax | 356,499 | 279,190 | 193,128 |
| Net Assets | 773,599 | 691,997 | 596,235 |

For further financial information of the Target Company, please refer to Appendix III for the accountant's report for the three years ended 31 December 2024 of the Target Company and Appendix V for the management discussion and analysis for the three years ended 31 December 2024 of the Target Company.

## 3 The Sale and Purchase Agreement

***Principal Terms of the Sale and Purchase Agreement***

The GoFintech Board and the Wealthink AI Board jointly announce that on 31 December 2024 (after trading hours of the Stock Exchange), GoFintech as the Purchaser entered into the Sale and Purchase Agreement with Wealthink AI as the Vendor, pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares, representing 22.50% of the entire issued share capital of the Target Company, at the Consideration in the amount of HK$1,110,000,000, which shall be settled by the allotment and issuance of the Consideration Shares at the Issue Price (i.e. HK$0.79 per GoFintech Share) under the Specific Mandate to be sought by GoFintech at the GoFintech EGM.

The principal terms of the Sale and Purchase Agreement are set out as follows:

*Date*

31 December 2024 (after trading hours of the Stock Exchange)

*Parties to the Sale and Purchase Agreement*

(a) GoFintech as the Purchaser; and

(b) Wealthink AI as the Vendor

*Subject Matter of the Transaction*

Pursuant to the terms of the Sale and Purchase Agreement, the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares, representing 22.50% of the entire issued share capital of the Target Company, at the Consideration in the amount of HK$1,110,000,000 which shall be settled by the allotment and issuance of the Consideration Shares at the Issue Price (i. e. HK$0.79 per GoFintech Share) under the Specific Mandate to be sought by GoFintech at the GoFintech EGM.

The acquisition cost of the Sale Shares by the Vendor was approximately HK$60.00 million.

According to valuation report prepared by the Valuer, the fair value of the Sales Shares was HK$1,110,000,000 as at 30 September 2024 under the market approach.

For further information of the terms of the Sale and Purchase Agreement, including but not limited to the conditions precedent of the Sale and Purchase Agreement, please refer to the section headed "THE SALE AND PURCHASE AGREEMENT" of the Board Letter.

***Consideration for the Disposal***

With respect to the Disposal, the Consideration is in the amount of HK$1,110,000,000, which shall be settled by the allotment and issuance of the Consideration Shares at the Issue Price (i.e. HK$0.79 per GoFintech Share) under the Specific Mandate to be sought by GoFintech at the GoFintech EGM.

*Basis of the Consideration*

As noted from the Board Letter, the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares, representing 22.50% of the entire issued share capital of the Target Company, at the Consideration in the amount of HK$1,110,000,000. BMI Appraisals Limited was appointed as the Valuer to conduct an independent valuation on the fair value of the Sale Shares (the "**Valuation**") as at 30 September 2024. Please refer to Appendix IV for detailed information of the valuation report of the Target Company (the "**Valuation Report**").

***Our Analysis on the Consideration for the Disposal***

*Scope of work and qualifications of the Valuer*

We have performed the work as required under Rule 13.80(2)(b) Note 1(d) of the Listing Rules in relation to the Valuer. In particular, we have reviewed the Valuation Report and relevant documents obtained from the Valuer and interviewed the Valuer with particular attention to (i) the terms of engagement of the Valuer with Wealthink AI in relation to the valuation of The Target Company; (ii) the certificates of qualifications and experience of the Valuer; and (iii) the valuation methodologies and assumptions used by the Valuer in formulating the Valuation Report.

We understand that the Valuer is certified with relevant professional qualifications required to perform the valuation of the Target Company. Dr. Tony Cheng, the managing director of business development at the Valuer, served as the person-in-charge for the valuation of the Target Company in the Disposal. Holding advanced degrees including a PhD in Economics, MBA in Finance, and MSc in Mechanical Engineering, Dr. Cheng possesses extensive expertise in property and business valuations across major markets in Asia, Europe, and the USA, including Hong Kong, the PRC, and Singapore. With a distinguished career spanning valuations for public flotations, financing, and acquisitions, he has led appraisals for significant infrastructure projects in the Asia Pacific region. Based on our review of the Valuer's terms of engagement with Wealthink AI in relation to the valuation of the Target Company and discussion with the Valuer on the work it has performed in formulating the Valuation Report, we noted that the scope of work is appropriate for arriving at the valuation of the Target Company and we are not aware of any limitations on the scope of work which might adversely impact on the degree of assurance given by the Valuation Report. Nothing has come to our attention that the parties to the Disposals had made formal or informal representation to the Valuer that contravenes with our understanding of the information, to a material extent, as set out in the Circular. The Valuer has confirmed that it is an independent third party to the parties of the Disposals and their respective core connected persons.

In light of the above, we are not aware of any matters that would cause us to question the Valuer's competence and independence, and we consider that the Valuer has sufficient expertise to perform the valuation of the Target Company.

*Valuation methodology and assumptions*

We have reviewed the Valuation Report and discussed with the Valuer methodologies of, and bases and assumptions adopted for the valuations, and adjustments made to arrive at the Valuation Report. As advised by the Valuer, in arriving at the assessed value, the Valuer has considered three accepted approaches, namely, income approach, asset-based approach and market approach:

**Income approach:** provides an indication of value based on the principle that an informed buyer would pay no more than the present value of anticipated future economic benefits generated by the subject asset.

The discounted cash flow ("**DCF**") method is the most fundamental and prominent method of the income approach. In applying the DCF method, the free cash flows of the subject asset in future years were determined from the net income after tax plus non-cash expenses, such as depreciation and amortization expenses, and after-tax interest expense; the result was then less non-cash incomes, investment in capital expenditure and/or investment in net working capital.

**Market approach:** provides an indication of value by comparing the subject asset to similar assets that have been sold in the market, with appropriate adjustments for the differences between the subject asset and the assets that are considered to be comparable to the subject asset.

Under the market approach, the guideline company method computes a price multiple for publicly listed companies that are considered to be comparable to the subject asset and then applies the result to a base of the subject asset. The sales comparison method computes a price multiple using recent sales and purchase transactions of assets that are considered to be comparable to the subject asset and then applies the result to a base of the subject asset.

**Cost Approach:** provides an indication of value based on the principle that an informed buyer would pay no more than the cost of producing the same or a substitute asset with equal utility as the subject asset.

Under the cost approach, the historical cost method measures the cost incurred throughout the development of the subject asset at the time it was developed. The replication cost method measures the amount of investment that would be required to develop an asset similar to the subject asset. The replacement cost method measures the amount of investment that would be required to develop the subject asset as it currently exists.

Based on our review on the Valuation Report, we noted that the selection of a valuation approach is based on, among other criteria, the quantity and quality of the information provided, access to available data, supply of relevant market transactions, type and nature of the subject asset, purpose and objective of the valuation and professional judgment and technical expertise.

The cost approach does not directly incorporate information about the economic benefits contributed by the subject asset, and it is generally applied to newly established companies or a company that is unable to conduct effective assessment by using income approach or market approach. The income approach heavily relies on subjective assumptions where the valuation is highly sensitive to long-term financial projections and detailed operation information to derive an indication of value.

As advised by the Valuer, the valuation methodology adopted in the Valuation is in line with market practice.

We note that the income approach, primarily utilizing the DCF method, estimates value based on the present value of anticipated future economic benefits generated by the subject asset. Under the DCF method, free cash flows are derived from net income after tax, adjusted for non-cash expenses (e.g. depreciation and amortization), after-tax interest expense, and investments in capital expenditure or net working capital. As such, the DCF method requires detailed projections of future cash flows, discount rates, and terminal values, which are highly sensitive to assumptions about revenue growth, operating margins, and market conditions. Based on our discussion with the Valuer and our review on the financial information of the Target Company, we consider that the Target Company, as an asset management firm, operates in a dynamic financial services sector influenced by market volatility, regulatory changes, and client demand. We understand that forecasting long-term cash flows with sufficient reliability is challenging due to the unpredictable nature of assets under management growth and fee income, which are core to the Target Company's revenue. In our discussions, the Valuer highlighted that small variations in these assumptions could significantly impact the valuation, reducing its reliability compared to market-based data. In addition, we understand that since the quantity and quality of forward-looking financial data available for the Target Company were insufficient to support a robust DCF analysis and the lack of detailed, company-specific projections to model future cash flows accurately, the income approach was not the most appropriate valuation approach for the valuation of the Target Company.

We note that the cost approach estimates value based on the cost of producing or replacing the subject asset with equal utility. Methods under this approach include the historical cost method (measuring costs incurred during development), the replication cost method (estimating costs to develop a similar asset), and the replacement cost method (estimating costs to recreate the asset as it exists). Based on our discussion with the Valuer and our review on the financial information of the Target Company, part of the Target Company's value is riven by intangible assets, such as its brand, client relationships, investment track record, and experienced management team, rather than solely depend on its tangible assets like equipment or property. The cost approach, which focuses on tangible asset costs or replacement expenses, fails to account for these intangibles, which are critical to the Target Company's market position as a cross-border asset manager. Furthermore, the value of the Target Company shall lie in operational performance rather than asset replacement costs. As such, we concur with the view of the Valuer that the cost approach was not the most appropriate valuation approach for the valuation of the Target Company.

In the valuation of the Target Company, the market approach was considered to be the most appropriate valuation approach in the valuation, as it is the most direct valuation approach which reflects the value obtained as a result of a consensus of what others in the market place have judged it to be.

*Valuation multiple*

Based on our review on the Valuation Report, we understand that under the market approach, the guideline company method was adopted in the Valuation. The guideline company method computes a price multiple for publicly listed companies that are considered to be comparable to the subject asset and then applies the result to a base of the subject asset, with adjustments of control premium and discount for lack of marketability if applicable. In applying the guideline company method, price multiples for publicly listed companies that are considered to be comparable to the Target Company were calculated. The price multiples are ratios that relate business value to some measure of the company's financial performance.

Under the guideline public company method of the market approach, we understand that the Valuer have considered various price multiples including the enterprise value (EV)-to-sales multiple (EV/SALES), enterprise value (EV)-to-earnings before interest, taxes, depreciation and amortization (EBITDA) (EV/EBITDA) multiple, enterprise value (EV)-to-earnings before interest (EBIT) (EV/EBIT), price-to-earnings (P/E) multiple, the price-to-book (P/B) multiple and price-to-asset under management (AUM) (P/AUM) multiple.

Based on our review on the Valuation Report, we note that (i) EV/SALES is not appropriate for the valuation of the Target Company as it does not consider the company's profitability and only focuses on the amount of sales; (ii) EV/EBIT is the enterprise value of Wealthink AI which is the market capitalization plus the amount of debt, minority interest, preferred shares and less any cash divided by EBIT. EV/EBIT multiple is not appropriate for the valuation of the Target Company as it ignores the cost of debt capital or its tax effect; and (iii) P/B multiple is not appropriate for the valuation of the Target Company as the book value only captures the company's tangible assets but does not capture any intangible assets, company specific competencies and advantages.

For the valuation of the Target Company, the Valuer have adopted the average of EV/EBITDA, P/E and P/AUM multiple in assessing the Target Company as the Target Company is an asset management company and EV/EBITDA and P/E multiple are commonly used for companies which are continuously profitable. The Valuer also adopted P/AUM multiple, which is target-specific to consider the effect of the size of asset management companies, as the difference between AUM of comparable companies differs greatly.

Based on our discussion with the Valuer, we note that with the adoption of the market approach, the Valuer deems that the average of multiples of comparables directly reflects the value of the Target Company in the marketplace. The Valuer has derived the value of the Target Company from its financial position with the P/E multiple, EV/EBITDA multiple and P/AUM multiple respectively. In addition to using the P/E multiple and EV/EBITDA multiple, the Valuer has incorporated the P/AUM multiple as the Target Company operates in the asset management business. The Valuer did not consider other price multiples due to the Target Company's profitability, its intangible assets and its tax effects.

We further understand that despite of the wide range of the P/E ratio and the EV/EBITDA ratio mentioned above, the Valuer deems them suitable for the Valuation as the Valuer considers that the price multiples as at the Valuation date justifiable and in line with market expectations, without the need for data trimming.

We note that the EV/EBITDA multiple measures the enterprise value relative to earnings before interest, taxes, depreciation, and amortization, providing insight into a company's operational profitability and cash flow generation, independent of capital structure and non-cash expenses. Based on our discussion with the Valuer and our review on the financial information of the Target Company, the Target Company's consistent profit before tax for the three years ended 31 December 2024 supports the applicability of this multiple, as it reflects its ability to generate EBITDA, making it a reliable reference for the valuation of the Target Company.

We note that the P/AUM multiple measures market price relative to assets under management, reflecting the value of a firm's fee-generating capacity. Based on our discussion with the Valuer and our review on the financial information of the Target Company, the P/AUM multiple is a cornerstone metric for asset managers, as AUM directly drives management and performance fees, the Target Company's primary revenue source. We understand that the P/AUM multiple captures the Target Company's market share and fee potential, aligning with its operational model.

We note that the P/E multiple measures market price per share relative to earnings per share, reflecting investor confidence in net earnings. Based on our discussion with the Valuer and our review on the financial information of the Target Company, the P/E multiple is suitable for the Target Company due to its stable and growing profitability. Using P/E multiple for valuation is standard for asset managers with consistent earnings, capturing market sentiment on future earnings potential.

Based on the above, we concur with the Valuer that EV/EBITDA, P/AUM and P/E multiple are appropriate multiples to value the Target Group as compared with other valuation multiples.

We are aware that P/E multiple and EV/EBITDA multiples of Value Partners Group Limited (806.HK) are particularly high while the P/E multiple and EV/EBITDA multiple of Azimut Holding S.p.A. (AZM IM Equity) are particularly low with reference to the Valuation Report. Thus, we have made our enquiries to the Valuer and understand that for Value Partners Group Limited, the Valuer looked into its past earnings and historical price, there are not any abnormal volatility change in price in the past 3 years. The particularly high P/E ratio in Value Partners Group Limited is due to its low earnings as at the Valuation date. The Valuer did not consider it to be outlier as the Valuer considered the Value Partners Group Limited's high P/E ratio did account for its high anticipations from investors resulting in its high P/E ratio, thus the Valuer did not consider that it should be excluded from the analysis. Hence, the Valuer decided that the high P/E multiple and EV/EBITDA multiples are reasonable compared to other comparable companies. For Azimut Holdings S.p.A, the low price multiples was due to higher earnings ratio compared with other comparables and there are no abnormal volatility changes in price in the last 3 years as at the date of the Valuation. The low ratios in EV/EBITDA and P/E indicate that the Azimut Holdings S.p.A is trading at a low price with high earnings, while its P/AUM ratio lies within the range of the comparables. The Valuer deemed it necessary to include the comparables in the analysis. The Valuer did not find it necessary to exclude a profitable asset management company based on market sentiment. We further understand that as the comparable list is exhaustive, the Valuer deemed that it would be probable to include all comparables after selection.

Taking into account the above and the nature of the Target Company, we concur with the Valuer that the market approach is the most appropriate approach in arriving at the market value of the Target Company.

We have reviewed the Valuation Report and discussed with the Valuer in respect of the key assumptions adopted for performing the valuation of the Target Company. We understand from the Valuer that the assumptions are commonly adopted in other valuations of similar assets and there is no unusual assumption which has been adopted during the valuation. We also consider that the assumptions adopted in the Valuation Report are general in nature and we are not aware of any material facts which lead us to doubt the reasonableness of the assumptions adopted by the Valuer.

*Assessment of the valuation of the Target Company*

As set out in the section headed ''Information of the Target Company'' above, the Target Company is a well-known asset management company incorporated and based in Hong Kong, which manages private and public funds, and provides investment advisory services to Asian and global investors with a dedicated focus on investment in the PRC. As set out in the Valuation Report, the Valuer has identified nine comparable companies that are comparable to Target Company (the ''**Comparable Companies**'') based on information publicly available. In selecting the Comparable Companies, the Valuer has adopted the following selection criteria:

– The Comparable Companies mainly operates in the Asia Pacific region;

– The Comparable Companies are principally engaged in the provision of asset management services and the related operation;

– Shares of the Comparable Companies are listing in a major stock exchange and are being actively traded in a reasonable period of time; and

– Detailed financial and operational information in respect of the Comparable Companies are available at publicly available sources.

Based on the same criteria as set out above, we have, conducted independent research and consider that no other suitable comparable company is omitted as our independent research results are identical to those identified by the Valuer. Based on our independent research on the Comparable Companies, we are of the view that all of the Comparable Companies fit the selection criteria and are fair and representative. As such, we are of the view that the list of the Comparable Companies analysed by the Valuer for the purpose of determining the valuation of the Target Company are representative and exhaustive. The following table sets out the details of the Comparable Companies and their EV/EBITDA, P/AUM and P/E multiple as extracted from the Valuation Report:

| **Name of the Comparable Company** | **EV/EBITDA** | **P/AUM** | **P/E** |
|---|---|---|---|
| Ashmore Asset Management Indonesia | 11.51 | 0.00 | 16.47 |
| Australian Ethical Investment Limited | 21.59 | 0.05 | 32.86 |
| Azimut Holding S.p.A. | 4.07 | 0.06 | 6.14 |
| MFC Asset Management Public Company Limited | 12.68 | 0.01 | 18.67 |
| Nippon Life India Asset Management Limited | 29.08 | 0.08 | 36.56 |
| Platinum Asset Management Limited | 7.98 | 0.05 | 15.85 |
| SPARX Group Co., Ltd. | 5.86 | 0.00 | 10.57 |
| UTI Asset Management Company Limited | 15.27 | 0.01 | 19.31 |
| Value Partners Group Limited | 28.88 | 0.08 | 63.77 |
| **Average:** | **15.21** | **0.04** | **24.47** |

Based on our further discussion with the Valuer, the Valuer expresses that by using an exhaustive list of comparables, asset management companies, such as the Target Company, are typically profitable companies, with publicly available information on asset under management. The Valuer's analysis has delved into geographic and business segments. Therefore, the selection was not based on financial position, market capitalization and size of assets under management etc. of the Target Company and the comparable companies.

As advised by the Valuer, the market approach relies on observed multiples from publicly traded companies as benchmarks, which already reflect market perceptions of size, risk, growth, and profitability differences. Since the multiples are derived from actual market data, they inherently incorporate the impact of these factors, thereby rendering further adjustments unnecessary. Moreover, based on the current exhaustive list, we have not observed a significant trend between the size of the comparables and their corresponding price multiples.

As such, based on the above-mentioned selection criteria, we concur with the view of the Valuer that the Comparable Companies were considered to be fair and representative samples.

As shown in the table above, (i) the EV/EBITDA multiples of the Comparable Companies range from approximately 4.07 times to 29.08 times with an average of approximately 15.21 times; (ii) the P/AUM multiples range from 0.00 to 0.08 with an average of 0.04; and (iii) the P/E multiples range from 6.14 times to 63.77 times with an average of 24.47 times.

As advised by the Valuer, despite Value Partners Group Limited having a P/E multiple of 63.77 times, which is significantly higher than those of the other Comparable Companies, ranging from 6.14 times to 36.56 times, the Valuer considers Value Partners a suitable reference given its similar characteristics to the Target Company in the asset management industry.

As the average values place equal weighting on the representation of all selected Comparable Companies, and they are considered equally indicative of the market valuation multiples for asset management companies, the average EV/EBITDA of 15.21 times, P/AUM of 0.04, and P/E of 24.47 times were used as proxy multiples to arrive at the enterprise value of the Target Company, calculated using the formula EV = Market Cap + Preferred Equity + Minority Interest + Short-Term Debt + Long-Term Debt – Cash and Cash Equivalents. Given the implied valuation multiples used to determine the consideration of the Target Company Disposal of HK$1,110,000,000 are aligned with the average multiples of the Comparable Companies, we consider that the Target Company Consideration is not undervalued compared to the Comparable Companies and is favourable to Wealthink AI.

The Valuer has further applied a discount for lack of marketability of 20.40%, with reference to the Stout Restricted Stock Study (2023) published by Business Valuation Resources, LLC, reflecting the unlikelihood of the Target Company undergoing a public offering or its shares being listed on a major stock exchange or marketable in an over-the-counter market in the near future. This resulted in a fair value of the 22.50% equity interest of the Target Company of approximately HK$1,110,000,000. Please refer to the section headed "Discount for Lack of Marketability" in Appendix IV of the Circular for further details of discount for lack of marketability.

*Discount for lack of marketability*

As advised by the Valuer, the discount for lack of marketability is a downward adjustment to the value of an investment to reflect its reduced level of marketability. The concept of marketability deals with the liquidity of an ownership interest, that is, how quickly and easily it can be converted into cash if the owner chooses to sell. The discount for lack of marketability reflects the fact that there is no ready market for shares in a closely held company. Ownership interests in closely held companies are typically not readily marketable compared to similar interests in publicly listed companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly listed company. As set out in the Valuation Report, the Valuer considers that the Target Company is unlikely to undergo public offering and shares of the Target Company are unlikely to be listed in any major stock exchange or be marketable in any over-the-counter market in the near future with reference to the research result of Stout Restricted Stock Study, published by Business Valuation Resources, LLC in 2023, a discount for lack of marketability of 20.40% has been adopted in the Valuation.

We have reviewed "Control Premium & Discount for Lack of Marketability Study (Issue 2 – May 2025)" issued by Moore Hong Kong (a member firm of Moore Global Network Limited which is a global accounting and consulting network) which has summarised the discount for lack of marketability adopted and disclosed in the circulars issued by Hong Kong listed Companies in the past twelve months and noted that those discount for lack of marketability adopted ranged from 2.6% to 42.9% with an average of 17.6% and a median of 15.7%. Given the discount for lack of marketability of 20.40% used by the Valuer falls within the range of and close to the median of the discount for lack of marketability adopted by other Hong Kong listed companies in the past twelve months, we consider the discount for lack of marketability adopted by the Valuer to be fair and reasonable.

*The Issue Price*

The Consideration Shares represent (i) approximately 18.27% of the issued share capital of GoFintech as at the Latest Practicable Date; and (ii) approximately 15.45% of the issued share capital of GoFintech as enlarged by the allotment and issuance of the Consideration Shares (assuming that there will be no change in the issued share capital of GoFintech other than the allotment and issuance of Consideration Shares between the Latest Practicable Date and Completion).

The Issue Price was arrived at after arm's length negotiation among the parties to the Sale and Purchase Agreement with reference to recent market prices of GoFintech Shares. The Issue Price represents:

(i) a discount of approximately 44.37% to the closing price of HK$1.42 per GoFintech Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) the closing price of HK$0.79 per GoFintech Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement;

(iii) a premium of approximately 1.54% to the average of the closing price of HK$0.778 per GoFintech Share as quoted on the Stock Exchange for the five trading days immediately prior to the date of the Sale and Purchase Agreement;

(iv) a premium of approximately 2.20% to the average of the closing price of HK$0.773 per GoFintech Share as quoted on the Stock Exchange for the ten trading days immediately prior to the date of the Sale and Purchase Agreement; and

(v) the aggregate nominal value of the Consideration Shares will be HK$140,506,329.

Based on our discussion with the Management, we understand that the Issue Price was determined after arm's length negotiations between the Purchaser and the Vendor, with reference to, among other things, (i) the trading performance of the Consideration Shares including the historical trading prices of the Considerations Shares and its trend, the growing market performance of the Consideration Shares, the closing price of HK$0.79 per GoFintech Share on the date of the Sale and Purchase Agreement, and the range of average closing prices from HK$0.773 to HK$0.778 per GoFintech Share over different periods as set out above; (ii) the Valuation of the market value of the Sales Shares of approximately HK$1,110,000,000 based on the valuation report of the Target Company as set out in Appendix IV of the Circular; (iii) the financial position and business prospects of the Target Company based on the management discussion and analysis of the Target Company as set out in Appendix V of the Circular; and (iv) the reasons as discussed in the paragraph headed "REASONS FOR AND BENEFITS OF THE TRANSACTION" in the Board Letter. The Issue Price represents a slight premium to the average closing price of GoFintech Share as quoted on the Stock Exchange for the five and ten trading days immediately prior to the date of the Sale and Purchase Agreement, which reflects the continuing support and solid confidence given by Wealthink AI to GoFintech towards the long-term and sustainable growth of the GoFintech Group.

To further assess the fairness and reasonableness of the Issue Price, we have identified share issues involving companies listed on the Main Board of the Stock Exchange which announced issues of consideration shares for acquisition purposes (excluding (i) issues of A shares or domestic shares; (ii) issues involving reverse takeover, share exchange privatisations or share buy-back offers; and (iii) acquisition/issues that have been terminated) during the period from 1 September 2024 to the date of the Sale and Purchase Agreement (the "**Consideration Share Comparable**"). We consider the selection criteria, and the sampling period adopted enable us to identify sufficient samples of recently announced subscription transactions that are of similar nature as that of the Subscription. We found 9 transactions which met the said criteria, and they are exhaustive. Shareholders should note that although the businesses, operations, market capitalisation and prospects of the Company are not the same as the subject companies of the Consideration Share Comparable, the Consideration Share Comparable can demonstrate the recent market practices of acquisition transactions involving issue of consideration shares conducted by Hong Kong listed companies.

The following table sets out the respective premium/(discount) of the issue price over/to closing price prior on the respective last trading day (the "**LTD Premium/(Discount)**") and the premium/(discount) of the issue price over/to the average closing price for the respective last five trading days (the "**Five Days Premium/(Discount)**").

| Company Name (Stock code) | Date of announcement | Issue price *(HK$)* | Premium/ (Discount) of the issue price over/to the closing price on the respective last trading day *(%)* | Premium/ (Discount) of the issue price over/to the average closing price for the respective last five trading days *(%)* |
|---|---|---|---|---|
| Auto Italia Holdings Limited (720) | 11 September 2024 | 0.13 | (10.34) | (8.96) |
| CMGE Technology Group Limited (302) | 11 September 2024 | 1.68 | 140.00 | 139.32 |
| Kindstar Globalgene Technology, Inc. (9960) | 20 September 2024 | 1.42 | 16.39 | 27.47 |
| Kingkey Financial International (Holdings) Limited (1468) | 24 September 2024 | 0.423 | (7.03) | (6.00) |
| China Vered Financial Holding Corporation Limited (245) | 27 September 2024 | 0.052 | 2.00 | 0.00 |
| YSB Inc. (9885) | 15 October 2024 | 12.00 | 63.04 | 58.82 |
| Asia Allied Infrastructure Holdings Limited (711) | 2 December 2024 | 0.50 | 11.11 | 11.36 |
| OSL Group Limited (863) | 9 December 2024 | 8.156 | (0.29) | 0.00 |
| China Greenland Broad Greenstate Group Company Limited (1253) | 31 December 2024 | 0.1 | 233.33 | 278.79 |
| | | Maximum | 233.33 | 278.79 |
| | | Minimum | (10.34) | (8.96) |
| | | Average | 49.80 | 55.64 |
| | | Median | 11.11 | 11.36 |
| (Excluding outliers) | | Maximum | 63.04 | 58.82 |
| | | Minimum | (10.34) | (8.96) |
| | | Average | 10.70 | 11.81 |
| | | Median | 2.00 | 0.00 |
| The Consideration Shares | 31 December 2024 | 0.79 | 0.00 | 1.54 |

As set out in the table above, we note that the issue price to (i) the closing price on the last trading day prior to the announcements in relation to the respective Consideration Share Comparables ranged from a discount of approximately 10.34% to a premium of approximately 233.33%, with an average and median premium of approximately 49.80% and 11.11% respectively; (ii) the average closing price of the last five trading days prior to the announcements in relation to the respective Consideration Share Comparables ranged from a discount of approximately 8.96% to a premium of approximately 278.79%, with an average and median premium of approximately 55.64% and 11.36% respectively.

We noted that the range of the Consideration Share Comparables from a discount of approximately 10.34% to a premium of approximately 233.33% is large, and shall we remove Comparables of over one standard deviation (which is 83.85%, i.e. less than discount of 34.05% or over premium of 133.65%) which we consider outliers (i.e. CMGE Technology Group Limited (302.HK) and China Greenland Broad Greenstate Group Company Limited (1253.HK) are considered as outliers and have been removed), the issue price to (i) the closing price on the last trading day prior to the announcements in relation to the respective Consideration Share Comparables ranged from a discount of approximately 10.34% to a premium of approximately 63.04%, with an average and median discount of approximately 10.70% and 2.00% respectively; (ii) the average closing price of the last five trading days prior to the announcements in relation to the respective Consideration Share Comparables ranged from a discount of approximately 8.96% to a premium of approximately 58.82%, with an average and median premium of approximately 11.81% and 0.00%, respectively.

The Issue Price of HK$0.79 per Consideration Share is (i) equal to the closing price of HK$0.79 per GoFintech Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement; and (ii) at a premium of approximately 1.54% to the average of the closing price of HK$0.778 per GoFintech Share as quoted on the Stock Exchange for the five trading days immediately prior to the date of the Sale and Purchase Agreement.

Having considered that the Issue Price (i) falls within the range of LTD Premium/(Discount), lower that the average of the LTD Premium/(Discount) and similar to the median of LTD Premium/(Discount); and (ii) falls within the range of Five Days Premium/(Discount), lower that the average of the Five Days Premium/(Discount) and similar to the median of Five Days Premium/(Discount), we concur with the view of the Wealthink AI Directors that the Issue Price is fair and reasonable, and in the interests of Wealthink AI and the Wealthink AI Shareholders as a whole.

*Settlement of Consideration*

As part of our evaluation of the Sale and Purchase Agreement and the transactions contemplated thereunder, we have also assessed the fairness and reasonableness of the settlement method for the Disposal, whereby the Consideration for the Disposal is settled by GoFintech's allotment and issuance of Consideration Shares to Wealthink AI.

We understand that Wealthink AI's core investment strategy, as articulated in its Annual Report 2024 and Interim Report 2025, emphasizes building a balanced and diversified portfolio through four pillars: core-holding-centered unlisted equity investments, debt investments, fund investments, and listed equity investments. As such, we consider that the receipt of Consideration Shares aligns with this strategy by enhancing Wealthink AI's exposure to listed equities, specifically in the financial technology and cross-border investment sectors, through a significant holding of approximately 19.76% of GoFintech's issued share capital post-Completion (assuming no other changes in GoFintech's share capital). This complements Wealthink AI's objective of investing in high-growth sectors, as GoFintech's focus on financial technology innovation, investment banking, and asset management aligns with Wealthink AI's strategic shift towards emerging technologies.

Based on our discussion with the Management, we note that Wealthink AI is of the view that the substantial gain to be realised on the Disposal would significantly enhance Wealthink AI's financial position, while the non-cash settlement via receiving Consideration Shares instead of cash allows Wealthink AI to defer immediate tax implications (if applicable) and benefit from potential future capital appreciation of the Consideration Shares, aligning with its long-term investment strategy.

In addition, we note that Wealthink AI is regulated as an investment company under Chapter 21 of the Listing Rules, with its primary business focused on investing in a diversified portfolio of listed and unlisted securities, including equities, debt instruments, and funds, across Hong Kong, the PRC, and the USA. As an investment company under Chapter 21 of the Listing Rules, Wealthink AI is required to maintain a reasonable spread of investments, with no single investment exceeding 20% of its net asset value at the time of investment, and is prohibited from taking management control or owning more than 30% of voting rights in any single entity. These requirements underscore Wealthink AI's obligation to diversify its portfolio to mitigate risk and ensure liquidity, aligning with its four-pillar investment strategy: core-holding-centered unlisted equity investments, debt investments, fund investments, and listed equity investments. The receipt of Consideration

Shares, representing approximately 19.76% of GoFintech's issued share capital post-Completion, complies with these restrictions, as it does not confer control and maintains portfolio diversification. Furthermore, as an investment company under Chapter 21 of the Listing Rules, Wealthink AI's performance is tied to the returns from its investments, making the acquisition of listed securities like GoFintech Shares a natural fit for its business model. Furthermore, as a Chapter 21 investment company under the Hong Kong Listing Rules, Wealthink AI would deploy its capital into securities to maintain a diversified portfolio and generate returns. Should the consideration for the Disposal be settled in cash, Wealthink AI would still reinvest the proceeds into other investment projects or targets. Following an evaluation on the information of GoFintech, the Management considers that the equity interests in GoFintech position Wealthink AI to benefit from its robust prospects as an innovative cross-border, cross-industry investment platform, aligning seamlessly with Wealthink AI's strategic investment principles. The Management expresses that opting to receive Consideration Shares directly is both efficient and advantageous, as it eliminates the time and transaction costs associated with reinvesting cash, enabling immediate exposure to a valuable asset within Wealthink AI's portfolio.

In view of the above, we concur with the view of the Wealthink AI Directors that the settlement arrangement of the Consideration by the issuance and receipt of the Consideration Shares is fair and reasonable and in the interest of Wealthink AI and the Wealthink AI Shareholders as a whole.

*Conclusion*

In view of (i) the methodology, bases, assumptions, parameters and computation adopted by the Valuer in determining the valuation of the Target Company are appropriate; (ii) the Consideration are made with reference to and nearly equivalent to the respective appraised value of the disposed assets as at the Valuation Date which was fairly and reasonably determined by the Valuer; (iii) the settlement arrangement of the Consideration aligns with Wealthink AI's investment objectives and (iv) the reasons for and benefits of the Disposals as discussed in the section headed "4. REASONS FOR AND BENEFITS OF THE DISPOSALS" below, we consider the Consideration to be fair and reasonable so far as the Independent Shareholders are concerned.

**4 Reasons for and Benefits of the Disposal**

Based on our discussion with the Management, we note that by disposing the Target Company at its market valuation of HK$1,110,000,000, Wealthink AI unlocks significant value from the investment, previously recorded at a book value of HK$151 million. The Disposal, achieving approximately 7 times the price-to-book ratio, allows Wealthink AI to recognize the true economic potential of its assets. This recognition enhances Wealthink AI's financial profile and demonstrates a strategic capability to execute value-accretive transactions. Upon completion of the Disposal, the amount of investments in associates and joint ventures that will continue to

be held by Wealthink AI will decrease to approximately HK$519.31 million, whereas the total amount of investments at fair value through profit or loss (excluding the fair value of the Consideration Shares) will remain at approximately HK$7,535.51 million. For further details, please refer to the section headed "INVESTMENTS IN ASSOCIATES AND JOINT VENTURES" as set out in Appendix XI of the Circular.

Meanwhile, Wealthink AI is of the view that the acquisition of the equity interests in GoFintech provides Wealthink AI with a highly liquid asset, easily convertible into cash. As a listed security, the Consideration Shares offer flexibility for strategic financial management, allowing Wealthink AI to optimize cash flow and manage working capital efficiently. This liquidity supports operational agility, enabling Wealthink AI to swiftly capitalize on emerging market opportunities and invest in future growth initiatives, maintaining a competitive advantage.

Wealthink AI also express that there would be strategic investment benefit from the growth potential of GoFintech upon the completion of the Transaction. The equity interests in GoFintech position Wealthink AI to benefit from its robust prospects as an innovative cross-border, cross-industry investment platform. GoFintech's focus on financial technology innovation, along with its strong presence in the Greater Bay Area and international markets adds attractiveness to the investment. By remaining indirectly involved in the Target Company and benefiting from synergies with GoFintech in investment banking, asset management, and financial services, Wealthink AI will be able to strengthen its position and capitalise on opportunities in the investment industry with the assistance of GoFintech's capabilities. The Wealthink AI Directors are of the view that acquiring equity interests in GoFintech will allow Wealthink AI to benefit from the growth of GoFintech's financial performance as well as its capital market performance.

Based on our review on the financial information of Wealthink AI, we note that Wealthink AI's core investment strategy, as outlined in its Annual Report 2024 and Interim Report 2025, focuses on achieving a balanced and efficient portfolio through four pillars: core-holding-centered unlisted equity investments, debt investments, fund investments, and listed equity investments. The Disposal aligns with this strategy by enabling Wealthink AI to reallocate capital from a non-controlling associate investment in the Target Company to a significant holding of listed GoFintech Shares, classified as investments at fair value through profit or loss. This transition enhances portfolio flexibility and liquidity, allowing Wealthink AI to capitalize on short- to medium-term market opportunities while maintaining exposure to the financial services sector through GoFintech's operations. We are of the view that the existing stake in the Target Company held by Wealthink AI limits its ability to realize immediate liquidity from the investment. By contrast, the GoFintech Shares are listed on the Main Board of the Stock Exchange, offering greater marketability and potential for capital appreciation or future monetization. As expressed by the Management, this shift supports Wealthink AI's objective of optimizing its investment portfolio to balance long-term growth with short-term liquidity, as articulated in its strategic adjustments during FY2023/2024.

With reference to the unaudited pro forma financial information of the Remaining Wealthink AI Group as set out in Appendix IX to the Circular, upon completion of the Transaction, it is expected to generate a one-off gain for Wealthink AI of approximately HK$984.2 million, enhancing its financial position and shareholders' equity, which in turn strengthening its balance sheet and reducing its gearing ratio.

Based on the above, we are of the view that the Sale and Purchase Agreement is on normal commercial terms, fair and reasonable and in the interests of Wealthink AI and the Wealthink AI Independent Shareholders as a whole.

**5 Financial Impact of the Transaction**

As at the Latest Practicable Date, Wealthink AI owned 22.50% of the entire issued capital of the Target Company. The financial result of the Target Company is currently accounted for in the consolidated financial statements of Wealthink AI as investment in an associate using the equity method of accounting. Upon completion of the Disposal, Wealthink AI will cease to have any equity interest in the Target Company. The financial results of the Target Company will cease to be accounted for in the consolidated financial statements of Wealthink AI as investment in an associate and share of results of an associate using the equity method of accounting.

It is estimated that Wealthink AI will record a gain on the Disposal of approximately HK$1,839.41 million, calculated with reference to the difference between (i) the estimated fair value of the Consideration Shares in the amount of approximately HK$1,995.19 million, which is calculated based on 1,405,063,292 Consideration Shares to be received by Wealthink AI upon Completion at the market price of approximately HK$1.42 per Consideration Share as of the Latest Practicable Date; (ii) the carrying amount of the Sale Shares of HK$151.00 million as at 30 September 2024; and (iii) the estimated transaction costs of approximately HK$4.78 million.

As for assets and liabilities, it is expected that the total assets of Wealthink AI would increase by approximately HK$1,839.41 million from approximately HK$10,528.76 million to approximately HK$12,368.17 million, while the total liabilities of Wealthink AI would remain unchanged, resulting in an increase of net assets of Wealthink AI from approximately HK$10,009.50 million to approximately HK$11,848.91 million.

Pursuant to the Sale and Purchase Agreement, it is agreed among the parties that all Consideration Shares in its entirety will be allotted and issued to Wealthink AI upon Completion. Therefore, upon Completion, Wealthink AI will be beneficially interested in a total number of 1,405,063,292 GoFintech Shares representing approximately 15.45% of the issued share capital of GoFintech as enlarged by the allotment and issuance of the Consideration Shares (assuming that there will be no change in the issued share capital of GoFintech other than the allotment and issuance of Consideration Shares between the Latest Practicable Date and Completion). The

aforesaid equity interest will be treated as ''Investments at fair value through profit or loss'', which are subsequently measured at fair value with any gains or losses arising from changes in fair values recognised in profit or loss. The fair value gains or losses recognised in profit or loss are net of any interest income and dividend income. Interest income and dividend income are recognised in profit or loss. There will be no restrictions on the subsequent sale of the Consideration Shares.

With reference to the unaudited pro forma financial information of the Remaining Wealthink AI Group as set out in Appendix IX to the Circular, the carrying amount of Wealthink AI's investment in the Target Company as at 30 September 2024 was approximately HK$151,002,000. Upon completion of the Disposal, this investment will be derecognized, reducing the ''Investments in associates and joint ventures'' of Wealthink AI by HK$151,002,000.

With reference to the unaudited pro forma financial information of the Remaining Wealthink AI Group as set out in Appendix IX to the Circular, the consideration for the Disposal will be settled through the issuance of 1,405,063,292 GoFintech Shares, valued at HK$1,138,101,000 based on the market price of HK$0.81 per GoFintech Share as at 30 September 2024 (as adopted in the pro forma financial information for illustrative purposes). Prior to the Disposal, Wealthink AI held 1,612,000 GoFintech Shares (0.02% of GoFintech's issued share capital). Upon Completion, Wealthink AI's holding will increase to 1,406,675,292 GoFintech Shares, representing approximately 19.76% of GoFintech's issued share capital, remaining classified as ''Investments at fair value through profit or loss'' of Wealthink AI.

The Disposal will not directly generate cash inflows, as the consideration is settled in GoFintech Shares. The unaudited pro forma financial information of the Remaining Wealthink AI Group as set out in Appendix IX to the Circular reflects a reduction in bank and cash balances by HK$2,690,000 due to the payment of estimated transaction costs. The Remaining Wealthink AI Group's liquidity will remain dependent on its existing cash reserves and future cash flows from other investments.

The above financial impact is shown for illustrative purpose only and the actual gain or loss as a result of the Disposal is subject to, among other things, the market value of the Consideration Shares on the date of Completion, the audited consolidated net asset value of the Target Company on the date of Completion and the audit to be conducted by the auditors of GoFintech and Wealthink AI.

**OPINION AND RECOMMENDATION**

Having taken into account the above principal factors and reasons, we consider that although not in the ordinary and usual course of business of Wealthink AI, the Sale and Purchase Agreement are on normal commercial terms and in the interests of Wealthink AI and the Shareholders as a whole. We also consider that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable. Accordingly, we advise the Wealthink AI Independent Board Committee to recommend, and we ourselves recommend, that the Wealthink AI Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the Wealthink AI EGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
**Draco Capital Limited**

| **Ken Zhao** | **Leon Au Yeung** |
|---|---|
| *Director* | *Director* |

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

## 1. SUMMARY OF THE FINANCIAL INFORMATION OF THE GOFINTECH GROUP

The financial information of the GoFintech Group for each of the three financial years ended 31 March 2022, 31 March 2023 and 31 March 2024 and the six months ended 30 September 2024 were disclosed in the annual reports of GoFintech for the three financial years ended 31 March 2022 (pages 126 to 272), 31 March 2023 (pages 148 to 288) and 31 March 2024 (pages 157 to 268), and the interim report of GoFintech for the six months ended 30 September 2024 (pages 5 to 49), respectively. The aforementioned financial information of the GoFintech Group has been published on both the website of the Stock Exchange (http://www.hkexnews.hk) and the website of GoFintech (http://www.290.com.hk). Please refer to the hyperlinks as stated below:

**Annual report for the year ended 31 March 2022:**
https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0728/2022072800393.pdf

**Annual report for the year ended 31 March 2023:**
https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0728/2023072800442.pdf

**Annual report for the year ended 31 March 2024:**
https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0711/2024071100261.pdf

**Interim report for the six months ended 30 September 2024:**
https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1218/2024121801231.pdf

## 2. STATEMENT OF INDEBTEDNESS

As at the close of business of 30 April 2025, being the latest practicable date for the purpose of determining the indebtedness of the GoFintech Group prior to the printing of this joint circular, the GoFintech Group had the following indebtedness:

| | *HK$'000* |
|---|---|
| Unsecured and unguaranteed borrowings | 638,119 |
| Unsecured and unguaranteed lease liabilities | 14,455 |
| | 652,574 |
| Financial guarantees given to banks in favour of its related parties | 260,000 |

Save as disclosed above and for intra-group liabilities, the GoFintech Group did not have any debt securities authorized or created but unissued, issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guaranteed, unguaranteed, secured and unsecured borrowing and debt, or other material contingent liabilities as at the close of business on 30 April 2025.

## 3. WORKING CAPITAL STATEMENT

The GoFintech Directors are satisfied, after due and careful enquiry and based on the information currently available to the GoFintech Directors, that after taking into account the effects of the Acquisition, the Enlarged GoFintech Group's business prospects and the financial resources available to the Enlarged GoFintech Group, including cash generated from future operations, the existing cash and bank balances, the available borrowings from directors and the available banking facilities of the Enlarged GoFintech Group, the working capital available to the Enlarged GoFintech Group is sufficient for the Enlarged GoFintech Group's requirements for at least 12 months from the date of publication of this joint circular. GoFintech has obtained the relevant confirmations as required under Rule 14.66(12) of the Listing Rules.

## 4. MATERIAL ADVERSE CHANGE

The GoFintech Directors confirm that as at the Latest Practical Date, there had been no material adverse change in the financial or trading position of the GoFintech Group since 31 March 2024, being the date to which the latest published audited consolidated accounts of the GoFintech Group were made up.

## 5. FINANCIAL AND TRADING PROSPECTS OF THE GOFINTECH GROUP

GoFintech is an investment holding company whereas the GoFintech Group is a cross-border, cross-industry financial technology investment platform based in Hong Kong, backed by the Greater Bay Area, and focused on the international market. GoFintech has wholly-owned subsidiaries being corporations licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (Advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO.

The current business of the GoFintech Group includes investment banking, securities brokerage, asset management, margin financing, insurance brokerage, debt investment and equity investment. The GoFintech Group is deeply rooted in the local market of Hong Kong, with a strong presence in the financial services sector. It strategically invests in the financial technology industry, actively responding to the Hong Kong government's digital economic development strategy. By embracing the theme of technological innovation, GoFintech drives its development through innovation, contributing to Hong Kong's position as an international financial centre and accelerating the growth of the Web 3.0 ecosystem.

In addition, the GoFintech Group's investment strategies will explore more diversified investment opportunities with various industries, especially with financial technology industry in light of the growing acknowledgment in Hong Kong regarding virtual assets. Owing to the thriving development with respect to innovative technology-related businesses such as those connected to blockchain-based technology application and development, it is reasonably anticipated that expansion towards such aspects of businesses will not only represent a diversification of the GoFintech Group's business, but also an opportunity to promote its profitability.

It has always been the GoFintech Group's goal to implement an efficient and compliant internal control, pragmatically deploy its investment strategies, and strengthen its financial situation in order to bring favorable return to the GoFintech Group and the GoFintech Shareholders as a whole.

Moreover, besides its established business position as a cross-border, cross-industry investment platform with strong presence in the financial services sector, GoFintech currently also implements an innovation-driven strategy, actively investing in the quantum technology industry and exploring multi-dimensional layout in the field of quantum technology at the business level. Since early 2025, GoFintech has been strategically shifting its business focus to the quantum technology field. Such strategic shift is evident through a series of initiatives as illustrated below:

(1) Establishment of the Quantum Innovation Strategy Committee, which is chaired by non-executive Director, Mr. Li Chunguang, and composed of senior management members. The Quantum Innovation Strategy Committee is responsible for managing, reviewing investments, and making business decisions related to the quantum technology business. This indicates GoFintech's commitment to a structured and strategic approach in the quantum technology field, which provides a framework for evaluating and seizing investment opportunities in quantum technology, ensuring decision making with in-depth industry knowledge and strategic foresight.

(2) Establishment of a segregated portfolio company in the Cayman Islands, with the purpose of investing in innovative companies in the quantum technology field. Such move allows GoFintech to directly participate in the growth of quantum technology related startups, potentially gaining access to cutting-edge technologies and business models.

(3) Strategic cooperation with Hangzhou Shunshi Technology Co., Ltd. (operating through its subsidiary, Nanjing Quakey Technology Co., Ltd. ("**Quakey Tech**")), which is a high-tech enterprise specializing in quantum computing technology services, technological promotion, and software development. The cooperation covers multiple domains, including R&D and innovation in quantum science and technology, industrial ecosystem development, and talent cultivation and exchange. By leveraging

Quakey Tech's expertise and the academic achievements of its core figure, Dr. Zhang Wenzhuo ("**Dr. Zhang**"), GoFintech can potentially accelerate its entry into the quantum technology market and enhance its technological capabilities.

(4) Commencement of research, development, production, and sales of DeepSeek-based Intelligent All-in-One System. The core strengths of the All-in-One System lie in integrating proprietary large-language models, ensuring data security and cost-efficiency through local private deployment, and enabling enterprises to expand application scenarios across various sectors such as finance, manufacturing, education, and healthcare. It is considered that AI technology can be integrated with quantum technology in the future. The deployment of quantum-encrypted data security can potentially enhance the security of the All-in-One System, while quantum computing power can potentially accelerate the processing speed of the large-language models used in the system. Therefore, the GoFintech Group believes that exploring the AI technology based All-in-One System is in line with its strategic focus to expand into the quantum technology field.

(5) Establishment of a joint venture with Quakey Tech and Dr. Zhang, which will conduct infrastructure development and applied research on quantum random number cloud services and technological R&D, production, and sales of quantum-encrypted digital currency hardware wallets. The GoFintech Group believes that the joint venture will further deepen GoFintech's presence in the quantum technology field, especially in areas related to quantum-enabled security solutions for the financial and blockchain industries.

In view of the above, the GoFintech Group's strategic shift to the quantum technology field is a multi-faceted approach, with efforts including establishing internal decision-making mechanisms, making direct investments, collaborating with industry-leading companies and exploring new business models in quantum-related technologies. The GoFintech Group aims to be a key player in the emerging quantum technology market and creating new growth opportunities, while also leveraging its existing financial service capabilities to drive the development of quantum technology related businesses. For further details, please refer to the announcements of GoFintech dated 24 and 27 January, 25 February, 17 and 31 March and 28 May 2025, and the section headed "REVIEW ON THE GOFINTECH GROUP'S BUSINESSES" as set out in Appendix X of this joint circular.

## 1. SUMMARY OF THE FINANCIAL INFORMATION OF THE WEALTHINK AI GROUP

The financial information of the Wealthink AI Group for each of the three financial years ended 31 March 2022, 31 March 2023 and 31 March 2024 and the six months ended 30 September 2024 were disclosed in the annual reports of Wealthink AI for the three financial years ended 31 March 2022 (pages 85 to 156), 31 March 2023 (pages 151 to 264) and 31 March 2024 (pages 144 to 260), and the interim report of Wealthink AI for the six months ended 30 September 2024 (pages 35 to 84), respectively. The aforementioned financial information of the Wealthink AI Group has been published on both the website of the Stock Exchange (http://www.hkexnews.hk) and the website of Wealthink AI (http://www.1140.com.hk). Please refer to the hyperlinks as stated below:

**Annual Report for the year ended 31 March 2022:**
https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0727/2022072700862.pdf

**Annual Report for the year ended 31 March 2023:**
https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0725/2023072500660.pdf

**Annual Report for the year ended 31 March 2024:**
https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0724/2024072400318.pdf

**Interim report for the six months ended 30 September 2024:**
https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1220/2024122000926.pdf

## 2. STATEMENT OF INDEBTEDNESS

As at the close of business of 30 April 2025, being the latest practicable date for the purpose of determining the indebtedness of the Wealthink AI Group prior to the printing of this joint circular, the Wealthink AI Group had the following indebtedness:

| | *HK$'000* |
|---|---|
| Secured and guaranteed borrowings | 260,000 |
| Unsecured and unguaranteed borrowings | 383,055 |
| Unsecured and unguaranteed lease liabilities | 7,510 |
| | 650,565 |

Save as disclosed above and for intra-group liabilities, the Wealthink AI Group did not have any debt securities authorized or created but unissued, issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guaranteed, unguaranteed, secured and unsecured borrowing and debt, or other material contingent liabilities as at the close of business on 30 April 2025.

## 3. WORKING CAPITAL

The Wealthink AI Directors, after due and careful enquiry and based on the information currently available to the Wealthink AI Directors, that after taking into account the effects of the Disposal, the Remaining Wealthink AI Group's business prospects and the financial resources available to the Remaining Wealthink AI Group, including cash generated from future operations, the existing cash and bank balances, the available borrowings from directors and the available banking facilities of the Remaining Wealthink AI Group, the working capital available to the Remaining Wealthink AI Group is sufficient for the Remaining Wealthink AI Group's requirements for at least 12 months from the date of publication of this joint circular. Wealthink AI has obtained the relevant confirmations as required under Rule 14.66(12) of the Listing Rules.

## 4. MATERIAL ADVERSE CHANGE

The Wealthink AI Directors confirm that as at the Latest Practicable Date, there had been no material adverse change in the financial or trading position of the Wealthink AI Group since 31 March 2024, being the date to which the latest published audited consolidated accounts of the Wealthink AI Group were made up.

## 5. FINANCIAL AND TRADING PROSPECTS OF THE WEALTHINK AI GROUP

Wealthink AI is a cross-border investor with a focus on China's fast-growing industries and the best investment opportunities. Wealthink AI leverages its capital strength to invest in targeted companies, with returns primarily generated from interests, dividends and capital appreciation. The investment strategy of Wealthink AI comprises of four pillars, namely core-holding-centered unlisted equity investments, debt investments, fund investments and listed equity investments.

Unlisted equity investment strategy focuses on exploring and investing in unlisted enterprises with long-term growth potential, providing necessary capital support for the enterprises through direct investment or purchase of economic interest, and sharing their growth dividends. Debt investment strategy aims to obtain stable and fixed income through purchase of bonds or providing loans. While fund investment strategy participates in diversified investment opportunities with the help of the industry experience and market insights of professional fund management companies, thereby realising the decentralized allocation and professional management of assets. Listed equity investment strategy mainly focuses on short-term investment opportunities in the secondary market in and outside China to balance the liquidity

and rate of return of the portfolio. Combined with these four major investment strategies, Wealthink AI strives to build a balanced and efficient portfolio to bring continuous and steady investment returns to the shareholders.

Wealthink AI plans to accurately identify startups with disruptive technologies and promising market prospects through exhaustive market research. At the same time, Wealthink AI will also actively explore strategic cooperation opportunities with industry-leading companies with a view to building a diversified portfolio in key areas such as artificial intelligence and big data.

*The following is the text of a report set out on pages III-1 to III-75, received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this joint circular.*

Deloitte. 德勤

**ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF CSOP ASSET MANAGEMENT LIMITED AND ITS SUBSIDIARIES TO THE DIRECTORS OF GOFINTECH QUANTUM INNOVATION LIMITED**

**Introduction**

We report on the historical financial information of CSOP Asset Management Limited (the "**Target Company**") and its subsidiaries (together, the "**Target Group**") set out on pages III-4 to III-75, which comprises the consolidated statements of financial position of the Target Group as at 31 December 2024, 2023 and 2022 and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Target Group for each of the three years ended 31 December 2024 (the "**Relevant Periods**") and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages III-4 to III-75 forms an integral part of this report, which has been prepared for inclusion in the circular of GoFintech Quantum Innovation Limited (the "**Company**") dated 25 June 2025 (the "**Circular**") in connection with the proposed acquisition of 22.5% of the entire issued share capital of the Target Company.

**Directors' responsibility for the Historical Financial Information**

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

The directors of the Company are responsible for the contents of this Circular in which the Historical Financial Information of the Target Group is included, and such information is prepared based on accounting policies materially consistent with those of the Company.

**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 (the ''**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 Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information 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 of the Target Company, 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 Target Group's financial position as at 31 December 2024, 2023 and 2022 and of the Target Group's financial performance and cash flows for the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

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

***Adjustments***

The Historical Financial Information is stated after making such adjustments to the Historical Financial Statements as defined on pages III-4 as were considered necessary.

***Dividends***

We refer to note 15 to the Historical Financial Information which contains information about the dividends declared and paid by the Target Company in respect of the Relevant Periods.

**Deloitte Touche Tohmatsu**
*Certified Public Accountants*
Hong Kong
25 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.

The Historical Financial Information in this report was prepared based on previously issued consolidated financial statements of the Target Group for the years ended 31 December 2024, 2023 and 2022 ("**Historical Financial Statements**"). The Historical Financial Statements have been prepared in accordance with the HKFRS Accounting Standards issued by the HKICPA. The previously issued consolidated financial statements for the year ended 31 December 2024 were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The previously issued consolidated financial statements for the years ended 31 December 2023 and 2022 were audited by Ernst & Young, certified public accounts registered in Hong Kong, in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Historical Financial Information is presented in HK dollars ("**HK$**").

**CSOP ASSET MANAGEMENT LIMITED**

**Consolidated Statements of Profit or Loss and Other Comprehensive Income**

| | | For the year ended 31 December | | |
|---|---|---|---|---|
| | | **2024** | **2023** | **2022** |
| | *Notes* | *HK$* | *HK$* | *HK$* |
| Revenue | *18* | 981,390,279 | 768,418,575 | 586,459,650 |
| Interest income | | 12,694,733 | 15,702,779 | 10,144,049 |
| Dividend income | | 30,714 | 185,246 | 1,286 |
| Other income | *18* | 31,424,461 | 15,815,631 | 30,493,820 |
| Net gains (losses) on financial assets and liabilities at fair value through profit or loss | *19* | 20,775,742 | 15,134,138 | (39,811,659) |
| Impairment losses under expected credit loss model, net of reversal | *11* | – | (18,561,786) | – |
| Net foreign exchange losses | | (1,621,788) | (3,606,954) | (5,386,835) |
| Gain on disposal of a subsidiary | *10* | – | – | 1,568,852 |
| **Operating income** | | 1,044,694,141 | 793,087,629 | 583,469,163 |
| Advertising, promotion and selling expenses | *20* | (284,689,290) | (189,272,780) | (141,708,847) |
| Administrative expenses | *20* | (302,464,317) | (238,900,017) | (208,304,906) |
| Fund operating expenses | *20* | (47,426,820) | (49,150,332) | (19,641,963) |
| Finance costs | | (1,877,917) | (2,093,938) | (2,791,955) |
| **Profit before tax** | | 408,235,797 | 313,670,562 | 211,021,492 |
| Income tax expense | *6* | (51,736,981) | (34,480,533) | (17,893,507) |
| **Profit for the year** | | 356,498,816 | 279,190,029 | 193,127,985 |

| | | For the year ended 31 December | | |
|---|---|---|---|---|
| | | 2024 | 2023 | 2022 |
| | *Notes* | *HK$* | *HK$* | *HK$* |
| **Profit attributable to:** | | | | |
| Owners of the Company | | 356,498,816 | 279,190,029 | 193,127,985 |
| **Other comprehensive (expense) income:** | | | | |
| **Items that may be subsequently reclassified to profit or loss** | | | | |
| Currency translation differences | | (339,866) | 1,174,921 | (5,217,570) |
| **Other comprehensive (expense) income for the year, net of tax** | | (339,866) | 1,174,921 | (5,217,570) |
| **Total comprehensive income for the year** | | 356,158,950 | 280,364,950 | 187,910,415 |
| **Total comprehensive income attributable to:** | | | | |
| Owners of the Company | | 356,158,950 | 280,364,950 | 187,910,415 |

**CSOP ASSET MANAGEMENT LIMITED**

**Consolidated Statements of Financial Position**

| | | As at 31 December | | |
|---|---|---|---|---|
| | | **2024** | **2023** | **2022** |
| | *Notes* | *HK$* | *HK$* | *HK$* |
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | *8* | 3,656,283 | 2,592,843 | 1,695,307 |
| Right-of-use assets | *9* | 24,350,050 | 32,940,163 | 46,413,941 |
| Deferred tax assets | *7* | 3,092,801 | 3,092,801 | 1,557,665 |
| Rental deposit | *11* | 5,187,897 | 5,187,897 | 3,871,676 |
| | | 36,287,031 | 43,813,704 | 53,538,589 |
| **Current assets** | | | | |
| Financial assets at fair value through profit or loss | *3(a)* | 646,097,203 | 614,334,853 | 509,324,704 |
| Amount due from a related company | *21(c)* | 4,806,199 | 5,125,270 | 4,166,082 |
| Amount due from the immediate holding company | *21(b)* | 12,586,610 | 7,924,368 | 8,484,795 |
| Amounts due from brokers | | 4,211,012 | 5,521,757 | 5,171,406 |
| Accounts receivable, prepayment, deposits, and other receivables | *11* | 150,840,002 | 94,882,349 | 110,210,100 |
| Fixed deposits | *22* | 364,071,206 | 267,862,619 | 145,902,378 |
| Cash and cash equivalents | *22* | 61,699,119 | 48,606,609 | 86,314,608 |
| | | 1,244,311,351 | 1,044,257,825 | 869,574,073 |
| **Total assets** | | 1,280,598,382 | 1,088,071,529 | 923,112,662 |

| | | As at 31 December | | |
|---|---|---|---|---|
| | | 2024 | 2023 | 2022 |
| | *Notes* | *HK$* | *HK$* | *HK$* |
| **EQUITY** | | | | |
| **Equity attributable to the owners of the Company** | | | | |
| Share capital | *13* | 418,933,333 | 418,933,333 | 418,933,333 |
| Exchange reserve | | (1,832,918) | (1,493,052) | (2,667,973) |
| Retained earnings | | 356,498,816 | 274,557,113 | 179,969,573 |
| **Total equity** | | 773,599,231 | 691,997,394 | 596,234,933 |
| **LIABILITIES** | | | | |
| **Current liabilities** | | | | |
| Financial liabilities at fair value through profit or loss | *3(a), 12* | 511,911 | 430,453 | 578,837 |
| Other investors' interest in an investment fund | *10(c)* | – | – | 26,591,730 |
| Accrued liabilities and other payables | *23* | 458,809,883 | 346,583,485 | 246,137,985 |
| Lease liabilities | *9* | 17,960,598 | 14,088,992 | 13,375,045 |
| Current tax liabilities | | 19,606,836 | 13,594,403 | 4,807,288 |
| | | 496,889,228 | 374,697,333 | 291,490,885 |
| **Non-current liability** | | | | |
| Non-current portion of lease liabilities | *9* | 10,109,923 | 21,376,802 | 35,386,844 |
| **Total liabilities** | | 506,999,151 | 396,074,135 | 326,877,729 |
| **Total equity and liabilities** | | 1,280,598,382 | 1,088,071,529 | 923,112,662 |

**CSOP ASSET MANAGEMENT LIMITED**

**Consolidated Statements of Changes in Equity**

*For the years ended 31 December 2024, 2023 and 2022*

| | Share capital | Exchange reserve | Retained earnings | Total |
|---|---|---|---|---|
| | *HK$* | *HK$* | *HK$* | *HK$* |
| Balance at 1 January 2024 | 418,933,333 | (1,493,052) | 274,557,113 | 691,997,394 |
| Profit for the year | – | – | 356,498,816 | 356,498,816 |
| **Other comprehensive expense** | | | | |
| Currency translation difference | – | (339,866) | – | (339,866) |
| **Total comprehensive (expense) income** | – | (339,866) | 356,498,816 | 356,158,950 |
| Dividend Paid | – | – | (274,557,113) | (274,557,113) |
| **Balance at 31 December 2024** | 418,933,333 | (1,832,918) | 356,498,816 | 773,599,231 |

**CSOP ASSET MANAGEMENT LIMITED**

**Consolidated Statements of Changes in Equity**

*For the years ended 31 December 2024, 2023 and 2022*

| | Share capital | Exchange reserve | Retained earnings | Total |
|---|---|---|---|---|
| | *HK$* | *HK$* | *HK$* | *HK$* |
| Balance at 1 January 2023 | 418,933,333 | (2,667,973) | 179,969,573 | 596,234,933 |
| Profit for the year | – | – | 279,190,029 | 279,190,029 |
| **Other comprehensive income** | | | | |
| Currency translation difference | – | 1,174,921 | – | 1,174,921 |
| **Total comprehensive income** | – | 1,174,921 | 279,190,029 | 280,364,950 |
| Dividend Paid | – | – | (184,602,489) | (184,602,489) |
| **Balance at 31 December 2023** | 418,933,333 | (1,493,052) | 274,557,113 | 691,997,394 |

**CSOP ASSET MANAGEMENT LIMITED**

**Consolidated Statements of Changes in Equity**

*For the years ended 31 December 2024, 2023 and 2022*

| | Share capital | Exchange reserve | Retained earnings | Total |
|---|---|---|---|---|
| | *HK$* | *HK$* | *HK$* | *HK$* |
| Balance at 1 January 2022 | 418,933,333 | 2,549,597 | 194,549,559 | 616,032,489 |
| Profit for the year | – | – | 193,127,985 | 193,127,985 |
| **Other comprehensive expense** | | | | |
| Currency translation difference | – | (5,217,570) | – | (5,217,570) |
| **Total comprehensive (expense) income** | – | (5,217,570) | 193,127,985 | 187,910,415 |
| Dividend Paid | – | – | (207,707,971) | (207,707,971) |
| **Balance at 31 December 2022** | 418,933,333 | (2,667,973) | 179,969,573 | 596,234,933 |

**CSOP ASSET MANAGEMENT LIMITED**

**Consolidated Statements of Cash Flows**

| | | For the year ended 31 December | | |
|---|---|---|---|---|
| | | **2024** | **2023** | **2022** |
| | *Notes* | *HK$* | *HK$* | *HK$* |
| **Cash flows from operating activities** | | | | |
| Cash generated from operations | *16* | 438,337,192 | 300,495,824 | 135,176,156 |
| Tax paid | | (45,724,548) | (27,228,554) | (48,086,956) |
| Interest paid | | (1,877,917) | (2,093,938) | (2,791,955) |
| Net cash flows from operating activities | | 390,734,727 | 271,173,332 | 84,297,245 |
| **Cash flows from investing activities** | | | | |
| Purchase of property, plant and equipment | *8* | (3,775,427) | (1,863,042) | (447,217) |
| Proceeds from sales of property, plant and equipment | | – | 40,000 | – |
| Net cash outflow from deconsolidation of a subsidiary | *10* | – | – | (5,246,764) |
| Dividend received | | 30,714 | 185,246 | 1,286 |
| Interest received | | 12,694,733 | 15,702,779 | 10,144,049 |
| Net cash outflow from deconsolidation of a subsidiary fund | *10* | – | (2,993,850) | – |
| Placement of fixed deposits with original maturity of more than three months when acquired | | (1,582,752,073) | (1,223,708,330) | (359,092,293) |
| Withdrawal of fixed deposits with original maturity of more than three months when acquired | | 1,486,543,486 | 1,101,748,089 | 280,987,281 |
| Net cash flows used in investing activities | | (87,258,567) | (110,889,108) | (73,653,658) |

| | | For the year ended 31 December | | |
|---|---|---|---|---|
| | | 2024 | 2023 | 2022 |
| | *Notes* | *HK$* | *HK$* | *HK$* |
| **Cash flows from financing activities** | | | | |
| Principal portion of lease payments | *17* | (15,826,537) | (13,389,734) | (12,804,575) |
| Dividend paid | *15* | (274,557,113) | (184,602,489) | (207,707,971) |
| Cash flows used in financing activities | | (290,383,650) | (197,992,223) | (220,512,546) |
| **Net increase (decrease) in cash and cash equivalents** | | 13,092,510 | (37,707,999) | (209,868,959) |
| Cash and cash equivalents at 1 January | | 48,606,609 | 86,314,608 | 296,183,567 |
| Cash and cash equivalents at 31 December | *22* | 61,699,119 | 48,606,609 | 86,314,608 |
| Analysis of the balances of cash and cash equivalents | | | | |
| Cash at banks | | 61,583,070 | 48,490,560 | 86,198,559 |
| Cash in hand | | 116,049 | 116,049 | 116,049 |
| | | 61,699,119 | 48,606,609 | 86,314,608 |

## 1. GENERAL INFORMATION

CSOP Asset Management Limited (the "**Target Company**") provides asset management services. The Target Company is licensed by the Hong Kong Securities and Futures Commission to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities.

The Target Company is a limited liability company incorporated in Hong Kong. The address of its registered office is Suite 2801-03, Two Exchange Square, 8 Connaught Place, Central, Hong Kong.

China Southern Asset Management Co. Ltd., a company incorporated in the People's Republic of China, is the immediate and ultimate holding company of the Target Company.

As at 31 December 2024, 2023 and 2022, the Target Company invested in a number of companies which are recognised as subsidiaries of the Target Company (together, the "**Target Group**").

The Historical Financial Information of the Target Group have been prepared by consolidating the financial information of the companies which are regarded as the subsidiaries of the Target Group as at 31 December 2024, 2023 and 2022. Refer to Note 10 for the details of the subsidiaries.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these Historical Financial Information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation of Historical Financial Information

The Historical Financial Information have been prepared in accordance with all HKFRS Accounting Standards issued by the HKICPA. In addition, the Historical Financial Information included applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Historical Financial Information have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the material accounting policy information set out below.

The preparation of Historical Financial Information in accordance with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Target Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

The Historical Financial Information contained in this Circular does not constitute the Target Company's statutory annual consolidated financial statements for any of the financial years ended 31 December 2024, 2023 and 2022 but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows.

As the Target Company is a private company, the Target Company is not required to deliver its financial statements to the Registrar of Companies, and has not done so.

The Target Company's auditors have reported on these financial statements for all three years. The independent auditor's reports were unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis; and did not contain a statement under either sections 406(2), 407(2) or (3) of the Companies Ordinance.

**2.2 Adoption of new and amendments to HKFRS Accounting Standards**

For the purpose of preparing and presenting the Historical Financial Information for the Relevant Periods, the Target Group has consistently applied the HKFRS Accounting Standards, which are effective for the accounting period beginning on 1 January 2024 throughout the Relevant Periods.

***New and amendments to HKFRSs in issue but not yet effective***

The Target Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

| | |
|---|---|
| Amendments to HKFRS 9 and HKFRS 7 | Amendments to the Classification and Measurement of Financial Instruments[3] |
| Amendments to HKFRS 9 and HKFRS 7 | Contracts Referencing Nature-dependent Electricity[3] |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1] |
| Amendments to HKFRSs | Annual Improvements to HKFRS Accounting Standards – Volume 11[3] |
| Amendments to HKAS 21 | Lack of Exchangeability[2] |
| HKFRS 18 | Presentation and Disclosure in Financial Statements[4] |

1 Effective for annual periods beginning on or after a date to be determined.

2 Effective for annual periods beginning on or after 1 January 2025.

3 Effective for annual periods beginning on or after 1 January 2026.

4 Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Target Company anticipate that the application of all amendments to HKFRSs will have no material impact on the financial statements in the foreseeable future.

***HKFRS 18 "Presentation and Disclosure in Financial Statements"* ("HKFRS 18")**

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1 *"Presentation of Financial Statements"*, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *"Accounting Policies, Changes in Accounting Estimates and Errors"* and HKFRS 7 "*Financial Instruments: Disclosures*". Minor amendments to HKAS 7 *"Statement of Cash Flows"* and HKAS 33 *"Earnings per Share"* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Target Group is in the process of assessing the detailed impact of HKFRS 18 on the Target Group's consolidated financial statements.

**2.3 Basis of consolidation**

The Historical Financial Information incorporates the financial statements of the Target Company and entities controlled by the Target Company and its subsidiaries. Control is achieved when the Target Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

When the Target Group is an investor of a fund in which the Target Group also acts as a fund manager, the Target Group determines whether it is a principal or an agent for the purpose of assessing whether the Target Group controls the relevant fund.

An agent is a party primarily engaged to act on behalf and for the benefit of another party or parties (the principal(s)) and therefore does not control the investee when it exercises its decision-making authority. In determining whether the Target Group is an agent to the fund, the Target Group would assess:

- the scope of its decision-making authority over the investee;
- the rights held by other parties;
- the remuneration to which it is entitled in accordance with the remuneration agreements; and
- the decision maker's exposure to variability of returns from other interests that it holds in the investee.

Consolidation of a subsidiary begins when the Target Group obtains control over the subsidiary and ceases when the Target Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Target Group gains control until the date when the Target Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Target Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Target Group are eliminated in full on consolidation.

### 2.4 Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the Historical Financial Information, the assets and liabilities of the Target Group's operations are translated into the presentation currency of the Target Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

On the disposal of a foreign operation (that is, a disposal of the Target Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Target Company are reclassified to profit or loss.

### 2.5 Property, plant and equipment

Items of property, plant and equipment are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated statements of profit or loss in the period in which it is incurred.

Where significant parts of property, plant and equipment are required to be replaced at intervals, the Target Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

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

| | |
|---|---|
| Furniture and fixtures | 5 years |
| Office equipment | 3 – 5 years |
| Leasehold improvements | over lease term |
| Motor vehicle | 5 years |

The gain or loss on disposal of items of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset and is recognised within "other income" in the consolidated statements of profit or loss and other comprehensive income.

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

**2.6 Financial instruments**

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 "*Revenue from Contracts with Customers*". Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("**FVTPL**") are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

***2.6.1 Financial assets***

*Classification and subsequent measurement of financial assets*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Target Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Target Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not a designated and effective hedging instrument.

In addition, the Target Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or fair value through other comprehensive income ("**FVTOCI**") as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "net gains (losses) on financial assets and liabilities at fair value through profit or loss" line item.

*Impairment of financial assets subject to impairment assessment under HKFRS 9*

The Target Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets which are subject to impairment assessment under HKFRS 9 "*Financial Instruments*". The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Target Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The ECL on these assets are assessed based on the exposure at default ("**EAD**"), historical default rates or default rates by reference to the probability of default ("**PD**"), loss given default ("**LGD**") over the expected life and is adjusted for forward-looking estimates.

The Target Group always recognises lifetime ECL for accounts receivable arising from contracts with customers.

For all other instruments, the Target Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Target Group recognised lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Target Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Target Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e. g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Target Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Target Group has reasonable and supportable information that demonstrates otherwise.

The Target Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Target Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Target Group, in full (without taking into account any collaterals held by the Target Group.

The Target Group considers that default has occurred when a financial asset is more than 90 days past due unless the Target Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

(e) the disappearance of an active market for that financial asset because of financial difficulties; or

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

(iv) Write-off policy

The Target Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Target Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Target Group in accordance with the contract and the cash flows that the Target Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

*Derecognition of financial assets*

The Target Group recognised a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

***2.6.2 Financial liabilities and equity***

*Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

*Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Target Company are recognised at the proceeds received, net of direct issue costs.

*Financial liabilities*

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

*Financial liabilities at FVTPL*

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which HKFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Target Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Target Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9 permits the entire combined contract to be designated as at FVTPL.

*Financial liabilities at amortised cost*

Financial liabilities including other payables are subsequently measured at amortised cost, using the effective interest method.

*Derecognition of financial liabilities*

The Target Group derecognises financial liabilities when, and only when, the Target Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

***2.6.3 Foreign exchange gains and losses***

For financial assets and liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'net foreign exchange losses' line item in profit or loss as part of net foreign exchange gains (losses).

The fair value of financial assets and liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

#### *2.6.4 Derivative financial instruments*

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

### 2.7 Accounts receivable, deposits and other receivables

Accounts receivable, deposits and other receivables are measured at amortised cost using the effective interest method, less provision for impairment.

If the settlement of the receivables is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

### 2.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

### 2.9 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 2.10 Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

### 2.11 Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because 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 or substantively enacted by the end of each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Target Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Current and deferred tax are recognised in profit or loss.

**2.12 Revenue recognition**

***Revenue from contracts with customers***

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Target Group expects to be entitled in exchange for those goods or services.

The revenue of the Target Group primarily comprised of management fee income which are generated through investment management agreements and are generally based on an agreed percentage of the value of assets under management. Management fees are recognised as the service is provided and it is highly probable that a significant reversal of the fee will not occur when the uncertainly is resolved.

Revenue from the provision of management services and advisory services are recognised over the scheduled period because the customer simultaneously receives and consumes the benefits provided by the Target Group. The disclosures are included in Note 18 to the Historical Financial Information.

**2.13 Interest income and dividend income**

***(i) Interest income***

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

***(ii) Dividend income***

Dividend income is recognised when the right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Target Company and the amount of the dividend can be measured reliably.

**2.14 Leases (as a lessee)**

The Target Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

***Right-of-use assets***

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability; and

- any lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

***Refundable rental deposits***

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

***Lease liabilities***

At the commencement date of a lease, the Target Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Target Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Target Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever a lease contract is modified and the lease modification is not accounted for as a separate lease.

***Lease modifications***

The Target Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Target Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Target Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

**2.15 Employment benefits**

***(i) Bonus plan***

The expected cost of bonus payments is recognised as a liability when the Target Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligations can be made.

***(ii) Pension obligations***

The Target Group participates in a mandatory provident fund scheme, the assets of which are held in a separate trustee-administrated fund. The pension plans are funded by payments from employees and by the Target Group.

The Target Group's contributions to the mandatory provident fund scheme are expensed as incurred. This plan is funded by payments from both employees and the Target Group. The Target Group has no further payment obligations once the contributions have been paid.

***(iii) Employee leave entitlements***

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

**2.16 Dividends**

Dividend distribution to the Target Group's shareholders is recognised as a liability in the Target Group's Historical Financial Information in the year in which the dividends are approved by the Target Company's shareholders.

## 3. FINANCIAL RISK MANAGEMENT

### Financial risk factors

The Target Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value and cash flow interest risk, and price risk), credit risk and liquidity risk. The Target Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Target Group's financial performance. The Target Group may use derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the directors of the Target Company to identify significant risks, especially such risks that may jeopardise the continued existence of the Target Group.

### (a) Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

At 31 December 2024, 2023 and 2022, the Target Group's market risk was affected by three main components: changes in actual market prices, interest rate and foreign currency movements. Interest rate and foreign currency movements are covered in Notes 3(b) and 3(e) below respectively. The Target Group's market price risk is managed by seeking to moderate risk through selection of securities within specified limits.

The table below summarises the Target Group's direct investment in the investment funds that the Group has no control (the "**Investee Funds**") and the investment in debt securities via investment in the CSOP Select US Dollar Bond Fund that is consolidated by the Target Group, as detailed in note 10(c) (the "**Subsidiary Fund**"), as at each year end.

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| | *HK$* | *HK$* | *HK$* |
| **Investment in Investee Funds** | | | |
| – Listed investment funds | 336,494,493 | 313,579,694 | 200,100,934 |
| – Unlisted investment funds | 309,602,710 | 300,755,159 | 78,532,245 |
| Total | 646,097,203 | 614,334,853 | 278,633,179 |
| **Investment through the Subsidiary Fund** | | | |
| – Debt securities | – | – | 230,691,525 |
| Total financial assets at fair value through profit or loss | 646,097,203 | 614,334,853 | 509,324,704 |
| **Financial liabilities at fair value through profit or loss** | | | |
| – Derivative financial instruments | (511,911) | (430,453) | (578,837) |

As at 31 December 2024 and 2023, there is no investment held through the investment in Subsidiary Fund by the Target Group due to loss of control on Subsidiary Fund since 29 November 2023. As at 31 December 2022, the Target Group invested in USD denominated debt securities through the investment in Subsidiary Fund and the following table discloses the geographic location exposure:

| | **2022** | |
|---|---|---|
| | *HK$* | *% of the Target Group's total equity* |
| Hong Kong | 23,810,901 | 4.0 |
| Cayman | 31,720,167 | 5.3 |
| United States | 79,615,592 | 13.5 |
| Australia | 18,121,988 | 3.0 |
| Switzerland | 5,941,258 | 1.0 |
| UK | 25,859,352 | 4.3 |
| Japan | 3,608,156 | 0.6 |
| Korea | 22,200,517 | 3.7 |
| New Zealand | 7,764,046 | 1.3 |
| Singapore | 9,106,870 | 1.5 |
| British Virgin Islands | 2,942,678 | 0.5 |
| Total | 230,691,525 | 38.7 |

The Target Group's investments in the Subsidiary Fund (de-consolidated since 29 November 2023) and Investee Funds are subject to their respective terms and conditions and the offering documentation and are susceptible to market price risk arising from uncertainties about future fair values of those Subsidiary Funds and the Investee Funds. All of the Subsidiary Funds and the Investee Funds of the Target Group are managed by portfolio managers who are compensated by the respective Subsidiary Funds and the Investee Funds for their services. Such compensation generally consists of an asset-based fee and a performance based incentive fee and is reflected in the valuation of the Target Group's investment in each of the Subsidiary Funds and the Investee Funds. The right of the Target Group to request redemption of its investments in Subsidiary Funds and the Investee Funds ranges in frequency from daily to monthly.

The tables below summarise the market price risk sensitivity of the Target Group through its investments in the Investee Funds recognised as at 31 December 2024, 2023 and 2022. The analysis is based on the assumptions that the relevant risk variables increased or decreased by the percentage disclosed in the table below with all the other variables held constant.

**As at 31 December 2024**
**Investment in the Investee Funds**

| Investee Funds | Fair value *HK$* | Relevant risk variables | Reasonable possible shift in rate | Impact to the profit before tax *HK$* |
|---|---|---|---|---|
| CSOP Select US Dollar Bond Fund | 223,700,943 | Citi Asia Broad Bond Index | +/- 5% | +/-8,532,583 |
| CSOP Hong Kong Dollar Money Market ETF | 40,351,630 | Not applicable *(Note)* | – | – |
| CSOP US Dollar Money Market ETF | 228,484,761 | Not applicable *(Note)* | – | – |
| ICBC CSOP FTSE Chinese Government and Policy Bank Bond Index ETF | 38,070,852 | FTSE Chinese Government and Policy Bank Bond Index | +/- 10% | +/-3,756,933 |
| CSOP USD Money Market Fund | 85,901,767 | Not applicable *(Note)* | – | – |
| CSOP Hang Seng Index ETF | 48,648 | Hang Seng Index | +/- 10% | +/-4,903 |
| CSOP Hang Seng TECH Index ETF | 5,962,427 | Hang Seng TECH Index | +/- 10% | +/-595,728 |
| CSOP FTSE US Treasury 20+ Years Index ETF | 23,177,194 | FTSE US Treasury 20+ Years Index | +/- 10% | +/-2,351,538 |
| CSOP Nikkei 225 Index ETF | 73,258 | Nikkei Stock Average Index (net total return version) | +/- 10% | +/-7,312 |
| CSOP Bitcoin Futures ETF | 100,006 | CME Bitcoin Futures | +/- 50% | +/-50,000 |
| CSOP Ether Futures ETF | 63,995 | CME Ether Futures | +/- 50% | +/- 31,998 |
| CSOP NASDAQ 100 ETF | 82,204 | NASDAQ-100 Index | +/- 10% | +/- 8,226 |
| CSOP Saudi Arabia ETF | 79,518 | FTSE Saudi Arabia Index (net total return version) | +/- 10% | +/-7,930 |
| | 646,097,203 | | | |

**As at 31 December 2023**
**Investment in the Investee Funds**

| Investee Funds | Fair value *HK$* | Relevant risk variables | Reasonable possible shift in rate | Impact to the profit before tax *HK$* |
|---|---|---|---|---|
| CSOP Select US Dollar Bond Fund | 218,663,656 | Citi Asia Broad Bond Index | +/- 5% | +/- 10,933,183 |
| CSOP Hong Kong Dollar Money Market ETF | 138,451,738 | Not applicable *(Note)* | – | – |
| CSOP US Dollar Money Market ETF | 119,522,070 | Not applicable *(Note)* | – | – |
| ICBC CSOP FTSE Chinese Government and Policy Bank Bond Index ETF | 36,312,915 | FTSE Chinese Government and Policy Bank Bond Index | +/- 10% | +/- 3,631,292 |
| CSOP USD Money Market Fund | 82,091,504 | Not applicable *(Note)* | – | – |
| CSOP Hang Seng Index ETF | 39,708 | Hang Seng Index | +/- 10% | +/- 3,971 |
| CSOP Hang Seng TECH Index ETF | 5,014,860 | Hang Seng TECH Index | +/- 10% | +/- 501,486 |
| CSOP RMB Money Market ETF | 13,617,898 | Not applicable *(Note)* | – | – |
| Other ETF | 620,504 | FTSE China A50 Index | +/- 10% | +/- 62,050 |
| | 614,334,853 | | | |

**As at 31 December 2022**
**Investment in the Investee Funds**

| Investee Funds | Fair value *HK$* | Relevant risk variables | Reasonable possible shift in rate | Impact to the profit before tax *HK$* |
|---|---|---|---|---|
| CSOP Hong Kong Dollar Money Market ETF | 34,599,020 | Not applicable *(Note)* | – | – |
| CSOP Global Quant Allocation Fund I SP | 368,143 | UBS-CSOP Global Asset Momentum Allocation Net Index ER USD | +/- 1% | +/- 3,681 |
| CSOP US Dollar Money Market ETF | 97,856,124 | Not applicable *(Note)* | – | – |
| CSOP MSCI China A Inclusion Index ETF | 2,478,573 | MSCI China A Inclusion Index | +/- 10% | +/- 247,468 |
| ICBC CSOP FTSE Chinese Government and Policy Bank Bond Index ETF | 35,380,952 | FTSE Chinese Government and Policy Bank Bond Index | +/- 10% | +/- 3,538,095 |
| CSOP USD Money Market Fund | 78,164,102 | Not applicable *(Note)* | – | – |
| CSOP Hang Seng Index ETF | 44,445 | Hang Seng Index | +/- 10% | +/- 4,423 |
| CSOP Hang Seng TECH Index ETF | 8,301,059 | Hang Seng TECH Index | +/- 10% | +/- 830,105 |
| CSOP RMB Money Market ETF | 20,713,241 | Not applicable *(Note)* | – | – |
| Other ETF | 727,520 | FTSE China A50 Index | +/- 10% | +/- 72,008 |
| | 278,633,179 | | | |

*Note:* Management considers that the Investee Funds are not directly correlated to any index. As such, relevant risk variables are not considered as applicable.

The exposure to investments in Investee Funds at fair value by strategy employed is disclosed in the following table. These investments are included in financial assets at FVTPL in the consolidated statements of financial position.

**As at 31 December 2024**

| | **Number of investee funds** | **Net asset value of investee fund** *HK$* | **Investment fair value** *HK$* | *% of net assets of the Target Group* |
|---|---|---|---|---|
| Fixed income | 1 | 1,365 Million | 223,700,943 | 28.9% |
| Index tracing | 9 | 44-37,984 Million | 67,658,101 | 8.7% |
| Money Market | 3 | 6,312-7,287 Million | 354,738,159 | 45.9% |

**As at 31 December 2023**

| | **Number of investee funds** | **Net asset value of investee fund** *HK$* | **Investment fair value** *HK$* | *% of net assets of the Target Group* |
|---|---|---|---|---|
| Fixed income | 1 | 2,494 Million | 218,663,656 | 31.6% |
| Index tracing | 4 | 33-29,778 Million | 41,987,988 | 6.1% |
| Money Market | 4 | 487-5,250 Million | 353,683,209 | 51.1% |

**As at 31 December 2022**

| **Strategy** | **Number of investee funds** | **Net asset value of investee fund** *HK$* | **Investment fair value** *HK$* | *% of net assets of the Target Group* |
|---|---|---|---|---|
| Equity linked derivatives | 1 | 6 Million | 368,143 | 0.1% |
| Index tracing | 5 | 9-20,943 Million | 46,932,549 | 7.9% |
| Money Market | 4 | 142-3,952 Million | 231,332,487 | 38.8% |

There were exposures to Target Group's direct investments representing over 5% of the Target Group's net assets at reporting date. The table below summarises those investments.

| | 2024 | | 2023 | | 2022 | |
|---|---|---|---|---|---|---|
| **Name of the investments** | *HK$* | *% of net assets of the Target Group* | *HK$* | *% of net assets of the Target Group* | *HK$* | *% of net assets of the Target Group* |
| CSOP Select US Dollar Bond Fund | 223,700,943 | 28.9% | 218,663,656 | 31.6% | – | – |
| CSOP Hong Kong Dollar Money Market ETF | 40,351,630 | 5.2% | 138,451,738 | 20.0% | 34,599,020 | 5.8% |
| CSOP US Dollar Money Market ETF | 228,484,761 | 29.5% | 119,522,070 | 17.3% | 97,856,124 | 16.4% |
| CSOP USD Money Market Fund | 85,901,767 | 11.1% | 82,091,504 | 11.9% | 78,164,102 | 13.1% |
| ICBC CSOP FTSE Chinese Government and Policy Bank Bond Index ETF | 38,070,852 | 4.9% | 36,312,915 | 5.2% | 35,380,952 | 5.9% |

**(b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

As at 31 December 2024, 2023 and 2022, the financial assets subject to floating interest rates are bank balances and certain Investee Funds classified as financial assets at FVTPL. The Target Group is also exposed to fair value interest rate risk in relation to certain Investee Funds classified as financial assets at FVTPL, whose underlying debt instruments carry fixed interest rate. Given that the interest arising from the bank balances and underlying interest-bearing debt securities held by the certain Investee Funds are immaterial, the Target Group is not subject to significant amount of risk due to fluctuations in the prevailing levels of interest rates.

**(c) Credit risk**

Credit risk is the risk that an issuer or counterparty to a financial instrument will cause the Target Group financial loss by failing to discharge its obligations. The Target Group seeks to minimise this risk of loss by monitoring the selection of counterparties and by minimising the reliance placed on individual counterparties.

All the Target Group's cash and cash equivalents and fixed deposits are held in major financial institutions located in Hong Kong, which management believes are of high credit quality.

The Target Group maintains a list of approved brokers selected to manage the risk that a broker may fail and lead to a loss on trade. All transactions in listed investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made when the Target Group's custodian banks have received payment. For a purchase, payment is made once the securities have been received by the Target Group's custodian banks. The trade will fail if either party fails to meet their obligation.

As at 31 December 2024 and 2023, the Group is not exposed to any risk relating to investments held by Subsidiary Fund by the Target Company due to loss of control on Subsidiary Fund since 29 November 2023. As at 31 December 2022, the Target Group was exposed to credit risk for the investments held by the Subsidiary Fund. The table below summarises the credit ratings of the investment portfolio invested by Subsidiary Fund, which are issued by credit rating agencies as at 31 December 2022:

**Credit rating category of debt securities invested by Subsidiary Fund:**

**31 December 2022**

| | *HK$* | *% of net assets* |
|---|---|---|
| **Moody's Rating** | | |
| Aa2 to A1 | 68,329,499 | 11.5% |
| Baa1 to B3 | 17,928,305 | 3% |
| | 86,257,804 | 14.5% |
| **S&P's Rating** | | |
| A+ to A | 75,136,106 | 12.6% |
| | 75,136,106 | 12.6% |
| **Fitch's Rating** | | |
| A+ to A | 67,508,713 | 11.3% |
| BBB+ to B- | 1,788,902 | 0.3% |
| | 69,297,615 | 11.6% |

The following tables summarise the assets placed with counterparties as at 31 December 2024, 2023 and 2022 and their respective credit ratings:

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| | *HK$* | *HK$* | *HK$* |
| Cash and cash equivalents and fixed deposits | | | |
| Industrial and Commercial Bank of China (Asia) Limited | 402,156,100 | 306,046,892 | 221,172,685 |
| Industrial and Commercial Bank of China, Singapore Branch | 15,108,613 | 3,993,304 | 4,951,770 |
| China Construction Bank Corp. | – | – | 402,258 |
| DBS Bank Ltd, Singapore | 8,389,563 | 6,426,385 | 5,101,530 |
| Bank of China (Hong Kong) Limited | – | 2,647 | 2,647 |
| CCB International Securities Limited | – | – | 470,047 |
| | 425,654,276 | 316,469,228 | 232,100,937 |
| Financial assets at FVTPL | | | |
| CCB (Asia) Trustee Company Limited | 223,700,943 | 218,663,656 | – |
| DBS Bank Ltd, Singapore | – | – | 230,691,525 |
| HSBC Institutional Trust Services (Asia) Limited | 221,308,741 | 154,829,594 | 35,765,602 |
| Brown Brothers Harriman & Co. | – | – | 727,520 |
| Haitong International Securities Company Limited | 113,239,530 | 157,849,545 | 163,116,042 |
| Huatai Financial Holdings (Hong Kong) Limited | 1,815,370 | 860,846 | 815,468 |
| Citicorp Trustee (Singapore) Limited | 85,901,767 | 82,091,504 | 78,164,102 |
| BOCI-Prudential Trustee Limited | 48,648 | 39,708 | 44,445 |
| Citicorp Financial Services Limited | 82,204 | – | – |
| | 646,097,203 | 614,334,853 | 509,324,704 |

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| Credit ratings of the brokers and custodian banks as at year end | | | |
| Bank of China (Hong Kong) Limited | A+ | A | A |
| BOCI-Prudential Trustee Limited | A+[1] | A | A |
| CCB International Securities Limited | n/a[6] | n/a[6] | A |
| CCB (Asia) Trustee Company Limited | A1[2] | A1 | n/a[2] |
| China Construction Bank Corp. | n/a[6] | n/a[6] | A |
| Citicorp Trustee (Singapore) Limited | BBB+[3] | BBB+ | BBB+ |
| Brown Brothers Harriman and Co. | n/a[6] | n/a[6] | A+ |
| Citicorp Financial Services Limited | BBB+[3] | BBB+ | BBB+ |
| Haitong International Securities Company Limited | BBB [4] | BBB | BBB |
| HSBC Institutional Trust Services (Asia) Limited | A-[5] | AA- | A+ |
| Huatai Financial Holdings (Hong Kong) Limited | BBB+ | BBB+ | BBB+ |
| Industrial and Commercial Bank of China (Asia) Limited | A | A | A |
| Industrial and Commercial Bank of China Limited, Singapore Branch | A1 | A1 | A |
| DBS Bank Ltd, Singapore | AA- | AA- | AA- |

Information of the above credit ratings are taken from Fitch, Moody's and Standard & Poor's (S&P) long-term issuer credit rating.

[1] Bank of China (Hong Kong) Limited wholly owns BOC International Holdings Limited which is one of the holding companies of BOCI-Prudential Trustee Limited was rated as A+, A and A as at 31 December 2024, 2023 and 2022 respectively.

[2] China Construction Bank (Asia) Corporation Limited, the ultimate holding company of CCB (Asia) Trustee Company Limited was rated as A1 by Moody's as at 31 December 2024 and 2023. No credit rating is disclosed as at 31 December 2022 as the financial assets at FVTPL held by CCB (Asia) Trustee Company Limited is nil.

[3] Citigroup Inc, the ultimate holding company of Citicorp Trustee Singapore Ltd., was rated as BBB+ by S&P as at 31 December 2024, 2023 and 2022.

[4] Haitong International Securities Group Limited and Haitong Futures International Company Limited which is the immediate holding company of Haitong International Securities Company Limited rated as BBB by S&P as at 31 December 2024, 2023 and 2022 respectively.

[5] HSBC Holdings Plc, the ultimate holding company of HSBC Institutional Trust Services (Asia) Limited, was rated as A-, AA- and A+ by S&P as at 31 December 2024, 2023 and 2022 respectively.

[6] No credit rating is disclosed as the balances held by the counterparties are nil.

Credit risk of bank balances are limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. The Target Group assessed 12m ECL for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on bank balances are considered to be insignificant and therefore no loss allowance was recognized.

The maximum exposure to credit risk at year end date is the carrying amount of the financial assets at FVTPL, amounts due from a related company/immediate holding company/brokers, cash and cash equivalents balances, fixed deposits, accounts receivable and other receivables as shown in the consolidated statements of financial position.

For advisory fee, management fee and performance fee receivable, the Target Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Target Group determines the lifetime ECL on these items based on the historical default rates or by reference to the PD and LGD of speculative grade ratings published by international credit rating agencies over the expected life and is adjusted for forward-looking estimates. Further details on the ECL assessment are stated in note 11.

All of the balances except advisory fee, management fee and performance fee receivable, are either not past due or with no fixed repayment term. The Target Group considers there is no significant change in credit risks of these balances since initial recognition. Accordingly, they are subject to 12m ECL assessment.

The Target Group has credit risk on amount due from a related company and the immediate holding company. The repayment abilities of related parties are regularly reviewed by management to ensure repayment of outstanding balances. Therefore, credit risk is considered immaterial. During the years ended 31 December 2024, 2023 and 2022, no impairment was made on amount due from a related company and the immediate holding company.

**(d) Liquidity risk**

The Target Group is exposed to liquidity risk when it encounters difficulty in meeting obligations associated with financial liabilities. It manages liquidity risk by maintaining sufficient cash and cash equivalents.

The table below analyses the Target Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date as at 31 December 2024, 2023 and 2022. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

**At 31 December 2024**

| | Less than 1 month | Less than 12 months | 1 to 5 years | No maturity Period | Total undiscounted cash flows | Carrying amount |
|---|---|---|---|---|---|---|
| | *HK$* | *HK$* | *HK$* | *HK$* | *HK$* | *HK$* |
| **Financial and Lease Liabilities** | | | | | | |
| Financial liabilities at FVTPL | | | | | | |
| – net settlement | 511,911 | – | – | – | 511,911 | 511,911 |
| Other payables | 73,519,786 | – | – | – | 73,519,786 | 73,519,786 |
| Lease liabilities | 1,656,624 | 17,281,970 | 10,279,122 | – | 29,217,716 | 28,070,521 |
| **Total financial and lease liabilities** | 75,688,321 | 17,281,970 | 10,279,122 | – | 103,249,413 | 102,102,218 |

**At 31 December 2023**

| | Less than 1 month | Less than 12 months | 1 to 5 years | No maturity Period | Total undiscounted cash flows | Carrying amount |
|---|---|---|---|---|---|---|
| | *HK$* | *HK$* | *HK$* | *HK$* | *HK$* | *HK$* |
| **Financial and Lease Liabilities** | | | | | | |
| Financial liabilities at FVTPL | | | | | | |
| – net settlement | 430,453 | – | – | – | 430,453 | 430,453 |
| Other payables | 33,306,539 | – | – | – | 33,306,539 | 33,306,539 |
| Lease liabilities | 1,293,270 | 14,225,965 | 22,240,407 | – | 37,759,642 | 35,465,794 |
| **Total financial and lease liabilities** | 35,030,262 | 14,225,965 | 22,240,407 | – | 71,496,634 | 69,202,786 |

**At 31 December 2022**

| | Less than 1 month | Less than 12 months | 1 to 5 years | No maturity Period | Total undiscounted cash flows | Carrying amount |
|---|---|---|---|---|---|---|
| | *HK$* | *HK$* | *HK$* | *HK$* | *HK$* | *HK$* |
| **Financial and Lease Liabilities** | | | | | | |
| Financial liabilities at FVTPL | | | | | | |
| – net settlement | 578,837 | – | – | – | 578,837 | 578,837 |
| Other payables | 28,156,682 | – | – | – | 28,156,682 | 28,156,682 |
| Lease liabilities | 1,288,971 | 14,178,679 | 37,677,967 | – | 53,145,617 | 48,761,889 |
| Other investors' interest in an investment fund | – | – | – | 26,591,730 | 26,591,730 | 26,591,730 |
| **Total financial and lease liabilities** | 30,024,490 | 14,178,679 | 37,677,967 | 26,591,730 | 108,472,866 | 104,089,138 |

As at 31 December 2024, 2023 and 2022, the Target Group held cash and cash equivalents of HK$61,699,119, HK$48,606,609 and HK$86,314,608 respectively, accounts receivable and other receivables excluding deposits and prepayments of HK$147,891,022, HK$92,149,660 and HK$107,590,277 respectively, and financial assets at fair value though through profit or loss of HK$646,097,203, HK$614,334,853 and HK$509,324,704 respectively that are expected to readily generate cash inflows for managing liquidity risk within three months.

**(e) Foreign exchange risk**

The Target Group has financial assets and liabilities denominated in currencies other than the Target Company's or its subsidiaries' respective functional currencies. The Target Group is therefore exposed to foreign exchange risk, as the value of the assets denominated in other currencies will fluctuate due to changes in exchange rates.

The Target Group's transactions, assets and liabilities are mainly denominated in United States dollars ("**US dollars**"), Hong Kong dollars ("**HK dollars**"), Renminbi ("**RMB**"), Euro ("**EUR**"), Australian dollar ("**AUD**"), Singapore dollar ("**SGD**") and Swiss Franc ("**CHF**"). Assets and liabilities denominated in US dollars is not considered as subject to foreign exchange risk as it is currently pegged to the HK dollars within a narrow range.

The table below summarises the Target Group's monetary and non-monetary exposure to currency risks, excluding forward foreign exchange contracts and the impact on profit before tax and net assets should the currencies have strengthened or weakened by 500 basis points or 5% against the Hong Kong dollars, with all other variables remaining constant, as at 31 December 2024, 2023 and 2022.

**At 31 December 2024**

**Original currencies**

| | RMB | EUR | AUD | SGD | CHF |
|---|---|---|---|---|---|
| | *HK$* | *HK$* | *HK$* | *HK$* | *HK$* |
| **Assets** | | | | | |
| Monetary assets | 56,007,316 | 115,569 | 2,459,546 | 5,523,562 | 48,487 |
| Non-monetary assets | 103,919,065 | – | – | 3,590,228 | – |
| **Liabilities** | | | | | |
| Non-monetary liabilities | (708,408) | – | – | (21,107,590) | – |
| Net exposure | 159,217,973 | 115,569 | 2,459,546 | (11,993,800) | 48,487 |

**Impact on profit before tax and net assets attributable to owner**

| | | | | | |
|---|---|---|---|---|---|
| Estimated basis point change in the relevant exchange rate of the foreign currency against Hong Kong dollars | 500 basis points | 500 basis points | 500 basis points | 500 basis points | 500 basis points |
| Monetary | 2,800,366 | 5,778 | 122,977 | 276,178 | 2,424 |
| Non-monetary | 5,195,953 | – | – | 179,511 | – |

**At 31 December 2023**

**Original currencies**

| | RMB | EUR | AUD | SGD | CHF |
|---|---|---|---|---|---|
| | *HK$* | *HK$* | *HK$* | *HK$* | *HK$* |
| **Assets** | | | | | |
| Monetary assets | 50,583,666 | 1,978,828 | 2,695,392 | 6,292,510 | 52,570 |
| Non-monetary assets | 107,563,029 | – | – | 7,564,030 | – |
| **Liabilities** | | | | | |
| Non-monetary liabilities | (616,156) | – | – | (13,306,230) | – |
| Net exposure | 157,530,539 | 1,978,828 | 2,695,392 | 550,310 | 52,570 |

**Impact on profit before tax and net assets attributable to owner**

| | | | | | |
|---|---|---|---|---|---|
| Estimated basis point change in the relevant exchange rate of the foreign currency against Hong Kong dollars | 500 basis points | 500 basis points | 500 basis points | 500 basis points | 500 basis points |
| Monetary | 2,529,183 | 98,941 | 134,770 | 314,625 | 2,628 |
| Non-monetary | 5,347,344 | – | – | 378,202 | – |

**At 31 December 2022**

**Original currencies**

| | RMB | EUR | AUD | SGD | CHF |
|---|---|---|---|---|---|
| | *HK$* | *HK$* | *HK$* | *HK$* | *HK$* |
| **Assets** | | | | | |
| Monetary assets | 26,595,705 | 1,182,097 | 2,693,397 | 1,558,669 | 56,639 |
| Non-monetary assets | 114,776,707 | 150 | – | – | – |
| **Liabilities** | | | | | |
| Non-monetary liabilities | (616,138) | – | – | – | – |
| Net exposure | 140,756,274 | 1,182,247 | 2,693,397 | 1,558,669 | 56,639 |

**Impact on profit before tax and net assets attributable to owner**

| | | | | | |
|---|---|---|---|---|---|
| Estimated basis point change in the relevant exchange rate of the foreign currency against Hong Kong dollars | 500 basis points | 500 basis points | 500 basis points | 500 basis points | 500 basis points |
| Monetary | 1,329,785 | 59,105 | 134,670 | 77,933 | 2,832 |
| Non-monetary | 5,708,028 | 8 | – | – | – |

**(f) Capital management**

The Target Group's objectives for managing capital are to safeguard the Target Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Target Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Target Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. No changes in the objectives, policies or processes for managing capital were made during the years ended 31 December 2024, 2023 and 2022.

As at 31 December 2024, 2023 and 2022, the Target Group is licensed to carry out regulated activities of type 1 dealing in securities ("**Type 1**"), type 4 advising on securities ("**Type 4**") and type 9 asset management ("**Type 9**") under the Hong Kong Securities and

Futures Ordinance. As a result, the Target Group is subject to capital requirements on the paid-up capital and liquid capital. It also files financial returns with the Securities and Futures Commission on a monthly basis.

**(g) Fair value estimation**

The Target Group measures financial assets and liabilities at fair value at the end of each reporting period. Fair value is 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 fair value of financial assets traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Target Group utilises the last traded market price for both financial assets and liabilities.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

| | | |
|---|---|---|
| Level 1 | – | based on quoted prices (unadjusted) in active markets for identical assets or liabilities |
| Level 2 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly |
| Level 3 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable |

For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgment by the Target Group. The Target Group considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Target Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The following table analyses within the fair value hierarchy the Target Group's financial assets and liabilities (by class) measured at fair value at each year end date:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | *HK$* | *HK$* | *HK$* | *HK$* |
| **At 31 December 2024** | | | | |
| **Assets** | | | | |
| Financial assets at FVTPL: | | | | |
| – Unlisted investment funds | – | 309,602,710 | – | 309,602,710 |
| – Listed investment funds | 115,054,899 | 221,439,594 | – | 336,494,493 |
| **Total** | 115,054,899 | 531,042,304 | – | 646,097,203 |
| **Liabilities** | | | | |
| Financial liabilities at FVTPL: | | | | |
| – Derivative financial investments | 511,911 | – | – | 511,911 |
| **Total** | 511,911 | – | – | 511,911 |

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | *HK$* | *HK$* | *HK$* | *HK$* |
| **At 31 December 2023** | | | | |
| **Assets** | | | | |
| Financial assets at FVTPL: | | | | |
| – Unlisted investment funds | – | 300,755,159 | – | 300,755,159 |
| – Listed investment funds | 191,980,145 | 121,599,549 | – | 313,579,694 |
| **Total** | 191,980,145 | 422,354,708 | – | 614,334,853 |
| **Liabilities** | | | | |
| Financial liabilities at FVTPL: | | | | |
| – Derivative financial investments | 430,453 | – | – | 430,453 |
| **Total** | 430,453 | – | – | 430,453 |

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | *HK$* | *HK$* | *HK$* | *HK$* |
| **At 31 December 2022** | | | | |
| **Assets** | | | | |
| Financial assets at FVTPL: | | | | |
| – Unlisted investment funds | – | 78,164,102 | 368,143 | 78,532,245 |
| – Listed investment funds | 199,121,608 | 979,326 | – | 200,100,934 |
| – Debt securities | – | 230,691,525 | – | 230,691,525 |
| **Total** | 199,121,608 | 309,834,953 | 368,143 | 509,324,704 |
| **Liabilities** | | | | |
| Financial liabilities at FVTPL: | | | | |
| – Derivative financial investments | 578,837 | – | – | 578,837 |
| **Total** | 578,837 | – | – | 578,837 |

Investments which values are based on quoted market prices in active markets, and therefore classified within level 1, which are exchange traded funds. The Target Group does not adjust the quoted price for these instruments.

There were no transfers of financial assets between the levels of fair value hierarchy classifications as at 31 December 2024, 2023 and 2022.

For the Target Group's assets and liabilities carried at amortised cost; their carrying values are a reasonable approximation of fair value due to its short term nature.

Financial instruments that traded in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs such as equities and foreign currency contracts are classified within level 2.

The movement in fair value measurement in Level 3 during the year were as follows:

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| | *HK$* | *HK$* | *HK$* |
| Financial assets at fair value through profit or loss – unlisted investment fund: | | | |
| At the beginning of the year | – | 368,143 | 13,155,926 |
| Net losses recognised in profit or loss | – | (367,362) | (12,787,783) |
| Disposal | – | (781) | – |
| At the end of the year | – | – | 368,143 |

***Valuation techniques***

*Unlisted investment fund*

The Target Group invests in certain unlisted investment fund with underlying investment which is not quoted in an active market and which may be subject to restrictions on redemptions such as lock-up periods.

The Target Group considers the valuation techniques and inputs used in valuing this fund as part of its due diligence prior to investing, to ensure they are reasonable and appropriate. Therefore, the NAV of the fund may be used as an input into measuring their fair value. In measuring fair value, consideration is also paid to any transactions in the shares of the fund. Depending on the nature and level of adjustments needed to the NAV and the level of trading in the fund, the Target Group classifies the fund as Level 3.

There were no level 3 investments for the years ended 31 December 2024 and 2023.

Quantitative information about fair value measurements using significant unobservable inputs (Level 3):

| 2022 Description | Fair value at 31 December 2022 *HK$* | Valuation Technique | Unobservable Input | Range (weighted average) |
|---|---|---|---|---|
| Unlisted investment fund | 368,143 | Net asset value | n/a | n/a |

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

### Judgements

In the process of applying the Target Group's accounting policies, management has made the following judgements apart from those involving estimations which have the most significant effect on the amounts recognised in the financial statements.

***(a) Determination of consolidation of funds invested in through the asset management business***

The Target Group operates the asset management business and makes direct investments in funds in the form of seed capital and standard investment and may provide other services such as acting as the fund manager, providing financing of working capital or other administrative services. The Target Group has decision-making authority and power over the relevant activities of the fund because the Target Group, acting as the fund manager, can decide which investments the fund should acquire or dispose of. All facts and circumstances are taken into consideration in the assessment of whether the Target Group, as an investor, controls the investment funds. The principle of control sets out the following three elements of control: (a) power over the investment funds; (b) exposure, or rights, to variable returns from involvement with the investment funds; and (c) the ability to use power over the investment funds to affect the amount of the investor's returns. The Target Group's initial assessment of control including its status as a principal or an agent would not change simply because of a change in market conditions (e.g. a change in the investee's returns driven by market conditions), unless the change in market conditions changes one or more of the three elements of control listed above or changes the overall relationship between a principal and an agent. For these investment funds, the Target Group assesses whether (i) there are any other holders in these investment funds which have practical ability to remove the Target Group, and prevent the Target Group to direct the relevant activities of the investment funds; and (ii) the combination of investments it holds together with its remuneration creates exposure to variability of returns from the activities of the investment funds.

As at 31 December 2024 and 2023, the directors of the Target Company concluded that the Target Group had no control over the investment funds and acted as agent for all investment funds.

As at 31 December 2022, the directors of the Target Company concluded that the Target Group had control over one investment fund and acted as agent for all remaining investment funds.

***(b) Leases – Estimating the incremental borrowing rate***

The Target Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Target Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in a similar economic environment. The Target Group estimates its IBR using observable inputs (such as Hong Kong Interbank Offered Rate) when available.

**Estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**Deferred tax asset**

As of 31 December 2024, 2023 and 2022, deferred tax assets of HK$3,092,801, HK$3,092,801 and HK$1,557,665 in relation to deductible temporary differences of HK$18,744,248, HK$18,744,248 and HK$9,440,394 have been recognised in the Group's consolidated statement of financial position respectively. As of 31 December 2024, 2023 and 2022, no deferred tax asset has been recognised on the tax losses of HK$nil, HK$12,974,364, and HK$9,295,880 respectively due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient taxable profits will be available in the future or taxable temporary differences are expected to reverse in the same period as the expected reversal of the deductible temporary differences, which is a key source of estimation uncertainty. The uncertainty would depend on how the ongoing uncertain macroeconomic and geopolitical environment, which includes the inflation, may progress and evolve. In case where the actual future profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax asset may arise, which would be recognised in the profit or loss for the period in which such a reversal or further recognition takes place.

## 5. FINANCIAL INSTRUMENTS BY CATEGORY

Apart from financial assets at FVTPL as disclosed in the consolidated statements of financial position which are classified as FVTPL, all other financial assets as disclosed in the consolidated statements of financial position, including amount due from the immediate holding company and a related company, accounts receivable, deposits and other receivables, amounts due from brokers, fixed deposits, rental deposit and cash and cash equivalents, are categorised as "financial assets at amortised cost".

Apart from financial liabilities at FVTPL as disclosed in the consolidated statements of financial position which are classified as FVTPL, all other financial liabilities as disclosed in the consolidated statements of financial position, including other payables are categorised as "financial liabilities at amortised cost".

## 6. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong for the year ended 2024, 2023 and 2022.

| | **2024** | **2023** | **2022** |
|---|---|---|---|
| | *HK$* | *HK$* | *HK$* |
| Provision for the year | 51,736,981 | 39,195,290 | 30,248,014 |
| Deferred tax *(Note 7)* | – | (1,535,136) | – |
| Overprovision in prior years | – | (3,179,621) | (12,354,507) |
| Tax charge for the year | 51,736,981 | 34,480,533 | 17,893,507 |

A reconciliation of the tax expense applicable to profit before tax at the statutory rate to the tax expense at the effective tax rate is as follows:

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| | *HK$* | *HK$* | *HK$* |
| Profit before tax | 408,235,797 | 313,670,562 | 211,021,492 |
| Tax calculated at local rate of 16.5% for the year ended 2024, 2023 and 2022 | 67,358,906 | 51,755,642 | 34,818,546 |
| Income not subject to tax | (23,666,370) | (19,578,552) | (12,948,051) |
| Expenses not deductible for tax purposes | 10,300,982 | 4,244,690 | 9,407,644 |
| Utilisation of tax losses previously not recognised | (2,140,770) | – | – |
| Effect of different tax rate of oversea subsidiary on current tax | 79,206 | 16,427 | – |
| Others | (194,973) | 1,221,947 | (1,030,125) |
| Tax charge at the effective rate of 12.7%, 12.0% and 14.3% for the year ended 2024, 2023 and 2022 respectively | 51,736,981 | 37,660,154 | 30,248,014 |
| Overprovision of prior years | – | (3,179,621) | (12,354,507) |
| | 51,736,981 | 34,480,533 | 17,893,507 |

The Target Group had unrecognised tax loss at jurisdiction other than Hong Kong of HK$nil, HK$12,974,364 and HK$9,295,880 as of 31 December 2024, 2023 and 2022 respectively, which have no expiry date.

## 7. DEFERRED TAX ASSETS

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| | *HK$* | *HK$* | *HK$* |
| Deferred tax assets | 3,092,801 | 3,092,801 | 1,557,665 |

The movement of the Target Group's deferred tax assets during the year is as follows:

| | Impairment provision | Accelerated tax depreciation | Total |
|---|---|---|---|
| | *HK$* | *HK$* | *HK$* |
| **At 1 January 2022, 31 December 2022 and 1 January 2023** | – | 1,557,665 | 1,557,665 |
| Credited (charged) to profit or loss | 2,646,394 | (1,111,258) | 1,535,136 |
| **At 31 December 2023 and 1 January 2024** | 2,646,394 | 446,407 | 3,092,801 |
| Credited (charged) to profit or loss | – | – | – |
| **At 31 December 2024** | 2,646,394 | 446,407 | 3,092,801 |

## 8. PROPERTY, PLANT AND EQUIPMENT

| | Furniture and fixtures | Office equipment | Leasehold improvements | Motor vehicle | Total |
|---|---|---|---|---|---|
| | *HK$* | *HK$* | *HK$* | *HK$* | *HK$* |
| **Year ended 31 December 2024** | | | | | |
| Opening net book amount | 102,259 | 1,354,899 | 169,096 | 966,589 | 2,592,843 |
| Currency translation differences | (1,934) | (4,517) | (2,531) | – | (8,982) |
| Additions | 73,950 | 1,048,002 | 2,653,475 | – | 3,775,427 |
| Depreciation | (46,000) | (849,978) | (1,607,043) | (199,984) | (2,703,005) |
| Closing net book amount | 128,275 | 1,548,406 | 1,212,997 | 766,605 | 3,656,283 |
| **At 31 December 2024** | | | | | |
| Cost | 1,026,968 | 9,758,342 | 13,025,817 | 999,920 | 24,811,047 |
| Accumulated depreciation | (898,693) | (8,209,936) | (11,812,820) | (233,315) | (21,154,764) |
| Net book amount | 128,275 | 1,548,406 | 1,212,997 | 766,605 | 3,656,283 |

| | Furniture and fixtures | Office equipment | Leasehold improvements | Motor vehicle | Total |
|---|---|---|---|---|---|
| | *HK$* | *HK$* | *HK$* | *HK$* | *HK$* |
| **Year ended 31 December 2023** | | | | | |
| Opening net book amount | 109,731 | 1,510,576 | 75,000 | – | 1,695,307 |
| Currency translation differences | 1,402 | 3,628 | 2,579 | – | 7,609 |
| Additions | 35,468 | 520,238 | 307,416 | 999,920 | 1,863,042 |
| Depreciation | (44,342) | (674,908) | (215,899) | (33,331) | (968,480) |
| Disposal and write off – Cost | – | (211,265) | – | – | (211,265) |
| Disposal and write off – Depreciation | – | 206,630 | – | – | 206,630 |
| Closing net book amount | 102,259 | 1,354,899 | 169,096 | 966,589 | 2,592,843 |
| **At 31 December 2023** | | | | | |
| Cost | 957,255 | 8,739,388 | 10,424,571 | 999,920 | 21,121,134 |
| Accumulated depreciation | (854,996) | (7,384,489) | (10,255,475) | (33,331) | (18,528,291) |
| Net book amount | 102,259 | 1,354,899 | 169,096 | 966,589 | 2,592,843 |

| | Furniture and fixtures | Office equipment | Leasehold improvements | Motor vehicle | Total |
|---|---|---|---|---|---|
| | *HK$* | *HK$* | *HK$* | *HK$* | *HK$* |
| **Year ended 31 December 2022** | | | | | |
| Opening net book amount | 148,600 | 2,182,881 | 196,590 | – | 2,528,071 |
| Currency translation differences | 374 | (106,241) | 99,688 | – | (6,179) |
| Additions | – | 297,217 | 150,000 | – | 447,217 |
| Depreciation | (39,243) | (863,281) | (371,278) | – | (1,273,802) |
| Write off – Cost | – | (1,189,663) | – | – | (1,189,663) |
| Write off – Depreciation | – | 1,189,663 | – | – | 1,189,663 |
| Disposal of subsidiary – Cost | – | (306,932) | (919,698) | (1,010,326) | (2,236,956) |
| Disposal of subsidiary – Depreciation | – | 306,932 | 919,698 | 1,010,326 | 2,236,956 |
| Closing net book amount | 109,731 | 1,510,576 | 75,000 | – | 1,695,307 |
| **At 31 December 2022** | | | | | |
| Cost | 919,191 | 8,411,009 | 10,082,687 | 754,927 | 20,167,814 |
| Accumulated depreciation | (809,460) | (6,900,433) | (10,007,687) | (754,927) | (18,472,507) |
| Net book amount | 109,731 | 1,510,576 | 75,000 | – | 1,695,307 |

## 9. LEASES

The Target Group has lease contracts for its office used in its operations. Leases for the properties are negotiated for terms ranging from 3 years to 6 years. Generally, the Target Group is restricted from assigning and subleasing the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

| | *HK$* |
|---|---|
| **As at 1 January 2022** | 53,417,559 |
| Addition | 6,261,675 |
| Depreciation expense | (13,394,167) |
| Exchange difference | 128,874 |
| **As at 31 December 2022 and 1 January 2023** | 46,413,941 |
| Depreciation expense | (13,565,558) |
| Exchange difference | 91,780 |
| **As at 31 December 2023 and 1 January 2024** | 32,940,163 |
| Addition | 8,503,881 |
| Depreciation expense | (17,023,892) |
| Exchange difference | (70,102) |
| **As at 31 December 2024** | 24,350,050 |

Set out below are the carrying amounts of lease liabilities and the movements during the year:

| | *HK$* |
|---|---|
| **As at 1 January 2022** | 55,176,947 |
| Addition | 6,261,675 |
| Accretion of interest | 2,570,942 |
| Payments | (15,375,517) |
| Exchange difference | 127,842 |
| **As at 31 December 2022 and 1 January 2023** | 48,761,889 |
| Accretion of interest | 2,093,938 |
| Payments | (15,483,672) |
| Exchange difference | 93,639 |
| **As at 31 December 2023 and 1 January 2024** | 35,465,794 |
| Addition | 8,503,881 |
| Accretion of interest | 1,877,917 |
| Payments | (17,704,454) |
| Exchange difference | (72,617) |
| **As at 31 December 2024** | 28,070,521 |

**Maturity profile of lease liabilities as at 31 December 2024, 2023 and 2022**

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| | *HK$* | *HK$* | *HK$* |
| Within one year | 18,938,594 | 15,519,235 | 15,467,650 |
| Within a period of more than one year but not exceeding two years | 10,279,122 | 14,547,687 | 15,467,650 |
| Within a period of more than two years but not exceeding five years | – | 7,692,720 | 22,210,317 |
| Lease liabilities (undiscounted) | 29,217,716 | 37,759,642 | 53,145,617 |
| Discount amount | (1,147,195) | (2,293,848) | (4,383,728) |
| Lease liabilities (discounted) | 28,070,521 | 35,465,794 | 48,761,889 |
| Current | 17,960,598 | 14,088,992 | 13,375,045 |
| Non-current | 10,109,923 | 21,376,802 | 35,386,844 |
| | 28,070,521 | 35,465,794 | 48,761,889 |

The following are the amounts recognised in profit or loss:

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| | *HK$* | *HK$* | *HK$* |
| Depreciation expense of right-of-use assets | 17,023,892 | 13,565,558 | 13,394,167 |
| Interest expense on lease liabilities | 1,877,917 | 2,093,938 | 2,570,942 |
| **Total amount recognised in profit or loss** | 18,901,809 | 15,659,496 | 15,965,109 |

The Target Group had total cash outflows for lease of HK$17,704,454, HK$15,483,672 and HK$15,375,517 during the years ended 31 December 2024, 2023 and 2022 respectively.

The weighted average incremental borrowing rate applied to lease liabilities is 5% for the years ended 31 December 2024, 2023 and 2022.

## 10. INVESTMENT IN SUBSIDIARIES

### Investment in principal subsidiaries

The following is a list of principal subsidiaries at 31 December 2024, 2023 and 2022:

| Name of subsidiaries | Place of incorporation/ establishment | Issued and fully paid capital/registered capital | Shareholding/equity interest attributable to the Target Company as at | | | | Principal activities | Notes |
|---|---|---|---|---|---|---|---|---|
| | | | The date of this report | 31 December 2024 | 31 December 2023 | 31 December 2022 | | |
| CSOP Indices Company Limited | British Virgin Islands | 1 issued share with par value of USD1 | 100% | 100% | 100% | 100% | Investment management | *(a)* |
| CSOP Asset Management Pte Limited | Singapore | 2024 and 2023: 6,500,000 issued shares with par value of SGD1<br><br>2022: 3,000,000 issued shares with par value of SGD1 | 100% | 100% | 100% | 100% | Investment management | *(b)* |
| CSOP Select US Dollar Bond Fund | Hong Kong | 2024 and 2023: N/A due to loss of control<br><br>2022: 10,052,138 out of 10,841,565 issued redeemable participating units with no par value | – | – | – | 92.72% | Investment in USD denominated debt securities | *(c)* |

*Notes:*

(a) No audited financial statements of CSOP Indices Company Limited have been prepared since their respective dates of incorporation as they are incorporated in the jurisdiction where there are no statutory audit requirements.

(b) No audited financial statements of CSOP Asset Management Pte Limited for the year ended 2024 have been prepared as they are not yet due for issuance. The statutory financial statements of CSOP Asset Management Pte Limited for each of the years ended 2023 and 2022 were prepared in accordance with the Financial Reporting Standards in Singapore and were audited by Ernst & Young, certified public accountants registered in Singapore.

(c) The Target Group had consolidated 1 structured entity which is the Subsidiary Fund as of 31 December 2022. For the Subsidiary Fund, the Target Group involved as the investment manager and also an investor holding substantial shares, resulting the Target Group having control over this structured entity. On 29 November 2023, loss of control on Subsidiary Fund was resulted from additional redeemable participating units issued. Subsidiary Fund has no longer been recognised as a subsidiary of the Target Group since then. The statutory financial statements of Subsidiary Fund for the year ended 2022 were prepared in accordance with HKFRS Accounting Standards issued by the HKICPA and were audited by PricewaterhouseCoopers, certified public accountants registered in Hong Kong. A net cash outflow of HK$2,993,850 was presented in the cash flow statements during the year ended 31 December 2023.

(d) On 26 September 2022, the Target Group has sold and transferred 100% shares of CSOP Investment International Limited to an independent third party at a consideration of HK$23,649,043. As a result, the Target Group ceased to have control, and CSOP Investment International Limited has no longer been a subsidiary of the Target Group since then. A gain on disposal of subsidiary of HK$1,568,852 was recognised in the consolidated statement of profit or loss during the year ended 31 December 2022 and a net cash outflow of HK$5,246,764 was presented in the cash flow statements in this regard.

## 11. ACCOUNTS RECEIVABLE, PREPAYMENT, DEPOSITS AND OTHER RECEIVABLES

The carrying amounts of accounts receivable, prepayment, deposits, other receivables, which approximate to their fair values, are as follows:

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| | *HK$* | *HK$* | *HK$* |
| Advisory fee, management fee and performance fee receivable | 152,166,670 | 104,315,703 | 93,895,445 |
| Deposits | 6,829,530 | 6,729,028 | 5,328,968 |
| Prepayments | 1,307,347 | 1,191,558 | 1,162,531 |
| Other receivables | 14,286,138 | 6,395,743 | 13,694,832 |
| | 174,589,685 | 118,632,032 | 114,081,776 |
| Impairment allowance | (18,561,786) | (18,561,786) | – |
| | 156,027,899 | 100,070,246 | 114,081,776 |
| Portion classified as current assets | (150,840,002) | (94,882,349) | (110,210,100) |
| Non-current portion | 5,187,897 | 5,187,897 | 3,871,676 |

Included in the Target Group's advisory fee, management fee and performance fee receivable were debtors with carrying amounts of HK$133,604,884, HK$85,753,917, HK$93,895,445 which were not yet due and fully performing as at 31 December 2024, 2023 and

2022 respectively. As at 1 January 2022, advisory fee, management fee and performance fee receivable amounted to HK$95,886,525. The advisory fee, management fee and performance fee receivable are repayable on demand.

The movements in the loss allowance for impairment of advisory fee, management fee and performance fee receivable are as follows:

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| | *HK$* | *HK$* | *HK$* |
| At beginning of year | 18,561,786 | – | – |
| Impairment losses | – | 18,561,786 | – |
| At end of year | 18,561,786 | 18,561,786 | – |

As of 31 December 2024 and 2023, the management considered the gross management fee receivable of HK$18,561,786 to be uncollectable due to financial difficulty of the counterparty during the year ended 31 December 2023 and credit impaired in full. The loss allowance at lifetime ECL (not credit-impaired) for the remaining advisory fee, management fee and performance fee receivable are considered to be insignificant and accordingly no provision has been made as of 31 December 2024, 2023 and 2022.

The aging analysis of the Target Group's advisory fee, management fee and performance fee receivable before impairment allowance by invoice date is as follows:

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| | *HK$* | *HK$* | *HK$* |
| Up to 3 months | 128,680,636 | 79,185,327 | 67,024,181 |
| 3 to 6 months | 1,625,310 | 2,343,286 | 2,882,074 |
| Over 6 months | 21,860,724 | 22,787,090 | 23,989,190 |
| | 152,166,670 | 104,315,703 | 93,895,445 |

## 12. DERIVATIVE FINANCIAL INSTRUMENTS

The Target Group invests in futures contracts. Futures contracts are contractual obligations to buy or sell financial instruments at a predetermined price at a specified time in the future date. The fair value of the outstanding foreign currency future contracts liabilities as at 31 December 2024, 2023 and 2022 amounted to HK$511,911, HK$430,453 and HK$578,837 with nominal value of US$13,000,000, US$8,600,000 and US$3,800,000 respectively.

## 13. SHARE CAPITAL

A summary of the movements in the Target Company's share capital is as follows:

| | Number of shares in issue | Share capital |
|---|---|---|
| | | *HK$* |
| As at 1 January 2022, 31 December 2022, 31 December 2023 and 31 December 2024 | 266,666,667 | 418,933,333 |

## 14. EARNINGS PER SHARE

No earnings per share information is presented as its inclusion, for the purpose of the Historical Financial Information, is not considered meaningful.

## 15. DIVIDEND

The directors did not recommend any dividend distribution for 2024. On 18 March 2024, 24 March 2023 and 22 March 2022, the Target Company declared 2023, 2022 and 2021 final dividend distribution in an aggregated amount of HK$274,557,113, HK$184,602,489 and HK$207,707,971 to the shareholders of the Target Company respectively.

No dividend payable was outstanding as at 31 December 2024, 2023 and 2022.

## 16. CASH GENERATED FROM OPERATIONS

Reconciliation of profit before tax to net cash generated from operating activities:

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| | *HK$* | *HK$* | *HK$* |
| Profit before tax | 408,235,797 | 313,670,562 | 211,021,492 |
| Adjustments for: | | | |
| – Depreciation of property, plant and equipment *(Note 8)* | 2,703,005 | 968,480 | 1,273,802 |
| – Depreciation of right-of-use assets *(Note 9)* | 17,023,892 | 13,565,558 | 13,394,167 |
| – Finance costs | 1,877,917 | 2,093,938 | 2,791,955 |
| – Interest income | (12,694,733) | (15,702,779) | (10,144,049) |
| – Dividend income | (30,714) | (185,246) | (1,286) |
| – Gain on disposal of a subsidiary | – | – | (1,568,852) |
| – Fixed asset written off | – | 4,635 | – |
| – Gain on disposal of property, plant and equipment | – | (40,000) | – |
| – Impairment loss on accounts receivables | – | 18,561,786 | – |
| – Net (gains) losses on financial assets and liabilities at FVTPL | (20,775,742) | (15,134,138) | 39,811,659 |
| – Currency translation differences | (333,399) | 1,169,171 | (5,212,422) |
| Operating cash flows before movements in working capital | 396,006,023 | 318,971,967 | 251,366,466 |
| – Increase in financial assets at FVTPL | (10,905,150) | (107,354,077) | (139,759,206) |
| – Decrease (increase) in amount due from a related company | 319,071 | (959,188) | (4,166,082) |
| – (Increase) decrease in amount due from the immediate holding company | (4,662,242) | 560,427 | 366,697 |
| – Decrease (increase) in amounts due from brokers | 1,310,745 | (350,351) | (3,467,307) |
| – Increase in accounts receivable, prepayment, deposit and other receivables | (55,957,653) | (4,550,256) | (7,190,720) |
| – Increase in accrued liabilities and other payables | 112,226,398 | 100,445,500 | 39,483,208 |
| – Decrease in other investors' interest in an investment fund | – | (6,268,198) | (1,456,900) |
| Cash generated from operations | 438,337,192 | 300,495,824 | 135,176,156 |

## 17. FINANCIAL LIABILITIES ARISING FROM FINANCING ACTIVITIES

Reconciliation of lease liabilities and dividend payables arising from financing activities:

| | Lease liabilities | Dividend Payable |
|---|---|---|
| | *HK$* | *HK$* |
| At 1 January 2022 | 55,176,947 | – |
| Changes from financing cash flows | | |
| Principal portion of lease payments | (12,804,575) | – |
| Dividends paid | – | (207,707,971) |
| Other changes | | |
| Finance charges on lease liabilities | 2,570,942 | – |
| Interest payment of lease liabilities | (2,570,942) | – |
| New leases entered into | 6,261,675 | – |
| Final 2021 dividend | – | 207,707,971 |
| Exchange differences | 127,842 | – |
| At 31 December 2022 and 1 January 2023 | 48,761,889 | – |
| Changes from financing cash flows | | |
| Principal portion of lease payments | (13,389,734) | – |
| Dividends paid | – | (184,602,489) |
| Other changes | | |
| Finance charges on lease liabilities | 2,093,938 | – |
| Interest payment of lease liabilities | (2,093,938) | – |
| Final 2022 dividend | – | 184,602,489 |
| Exchange differences | 93,639 | – |
| At 31 December 2023 and 1 January 2024 | 35,465,794 | – |
| Changes from financing cash flows | | |
| Principal portion of lease payments | (15,826,537) | – |
| Dividends paid | – | (274,557,113) |
| Other changes | | |
| Finance charges on lease liabilities | 1,877,917 | – |
| Interest payment of lease liabilities | (1,877,917) | – |
| Final 2023 dividend | – | 274,557,113 |
| New leases entered into | 8,503,881 | – |
| Exchange differences | (72,617) | – |
| At 31 December 2024 | 28,070,521 | – |

## 18. REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER INCOME

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| | *HK$* | *HK$* | *HK$* |
| Revenue from contracts with customers | | | |
| – Management fee income | 968,718,394 | 756,330,940 | 569,471,922 |
| – Performance fee income | – | – | 471,394 |
| – Advisory fee income | 12,671,885 | 12,087,635 | 16,516,334 |
| | 981,390,279 | 768,418,575 | 586,459,650 |
| Other income | 31,424,461 | 15,815,631 | 30,493,820 |
| | 1,012,814,740 | 784,234,206 | 616,953,470 |

For revenue from contracts with customers, the Target Group has the right to consideration from the customer in an amount that corresponds directly with the value to the customer of the Target Group's performance completed to date. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed. The performance income recognised during the year ended 31 December 2022 was arisen from variable consideration not previously recognised in the prior year of investment product managed by the Target Group due to the constraint.

## 19. NET GAINS (LOSSES) ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| | *HK$* | *HK$* | *HK$* |
| Change in unrealised gains (losses) in value of financial assets and liabilities at FVTPL | 14,598,019 | 36,560,930 | (42,430,222) |
| Net realised gains (losses) on sale of financial assets and liabilities at FVTPL | 6,177,723 | (21,426,792) | 2,618,563 |
| | 20,775,742 | 15,134,138 | (39,811,659) |

## 20. EXPENSES BY NATURE

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| | *HK$* | *HK$* | *HK$* |
| Commission expenses (trailer fee rebate) and employee remuneration | 495,766,436 | 352,639,576 | 268,365,311 |
| Legal and professional fees | 1,350,439 | 350,458 | 360,364 |
| Trustee fee and custody fee | 36,760,477 | 34,726,503 | 4,631,816 |
| Advertising fees | 22,818,823 | 18,438,793 | 18,239,816 |
| Entertainment expense | 3,882,704 | 3,479,008 | 2,328,060 |
| Travelling expense | 6,080,930 | 4,371,999 | 2,658,693 |
| Depreciation of property, plant and equipment *(Note 8)* | 2,703,005 | 968,480 | 1,273,802 |
| Depreciation of right-of-use assets *(Note 9)* | 17,023,892 | 13,565,558 | 13,394,167 |
| Auditor's remuneration | 1,059,141 | 577,447 | 1,072,190 |
| Insurance expenses | 1,113,324 | 1,441,519 | 1,275,364 |
| Others | 46,021,256 | 46,763,788 | 56,056,133 |
| | 634,580,427 | 477,323,129 | 369,655,716 |

## 21. RELATED PARTY TRANSACTIONS

In addition to the transactions disclosed elsewhere in these financial statements, the Target Group had the following transactions and balances with related parties during the Relevant Periods.

The table below summarises the transactions and balances with related parties of the Target Group:

| | Notes | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| | | *HK$* | *HK$* | *HK$* |
| Related party transactions during the year: | | | | |
| – Advisory fee income | *(a)* | 10,393,859 | 10,108,753 | 10,484,711 |
| Related party balances as at year end: | | | | |
| – Amount due from the immediate holding company | *(b)* | 12,586,610 | 7,924,368 | 8,484,795 |
| – Amount due from a related company | *(c)* | 4,806,199 | 5,125,270 | 4,166,082 |

**a) Advisory fee income**

The amount represents advisory fee income received from China Southern Asset Management Co. Ltd., the immediate holding company of the Target Group, for the provision of the advisory service.

**b) Amount due from the immediate holding company**

The amount due from the immediate holding company mainly represents the advisory fee receivable from the immediate holding company, which is unsecured, interest-free and repayable on demand.

**c) Amount due from a related company**

The amount represents the payment on behalf of a subsidiary of the immediate holding company of the Target Group, which is unsecured, interest-free and repayable on demand.

## 22. CASH AND CASH EQUIVALENTS AND FIXED DEPOSITS

Cash and cash equivalents of HK$61,699,119, HK$48,606,609 and HK$86,314,608 represent cash at bank and cash in hand as at 31 December 2024, 2023 and 2022 respectively.

As at 31 December 2024, 2023 and 2022, the Target Group also held fixed deposits with original maturity of not less than three months amounted to HK$364,071,206, HK$267,862,619 and HK$145,902,378 respectively.

The Target Group maintains segregated trust accounts with authorised financial institutions as a result of its normal business transactions. As at 31 December 2024, 2023 and 2022, client monies not otherwise dealt with in these financial statements and treated as off-balance sheet item of the Target Group amounted to HK$57,544, HK$195,477 and HK$317,579 respectively.

## 23. ACCRUED LIABILITIES AND OTHER PAYABLES

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| | *HK$* | *HK$* | *HK$* |
| Accrued liabilities | 385,290,097 | 313,276,946 | 217,981,303 |
| Other payables | 73,519,786 | 33,306,539 | 28,156,682 |
| | 458,809,883 | 346,583,485 | 246,137,985 |

## 24. STATEMENT OF FINANCIAL POSITION OF THE TARGET COMPANY

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| | *HK$* | *HK$* | *HK$* |
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3,467,467 | 2,189,743 | 1,596,804 |
| Right-of-use assets | 23,112,582 | 29,471,867 | 40,880,332 |
| Investments in subsidiaries, at cost | 38,108,473 | 38,108,473 | 17,393,408 |
| Deferred tax asset | 3,092,801 | 3,092,801 | 446,407 |
| Rental deposit | 5,187,897 | 5,187,897 | 3,871,676 |
| | 72,969,220 | 78,050,781 | 64,188,627 |
| **Current assets** | | | |
| Financial assets at FVTPL | 646,097,203 | 614,334,853 | 489,594,866 |
| Amounts due from a related company | 4,806,199 | 5,125,270 | 4,166,082 |
| Amounts due from the immediate holding company | 12,586,610 | 7,924,368 | 8,484,795 |
| Amount due from brokers | 4,211,012 | 5,521,757 | 5,171,406 |
| Account receivable, prepayments, deposits and other receivables | 134,942,866 | 83,294,190 | 94,621,554 |
| Fixed deposits | 348,641,433 | 267,862,619 | 145,902,378 |
| Cash and cash equivalents | 53,630,716 | 38,186,921 | 75,389,003 |
| | 1,204,916,039 | 1,022,249,978 | 823,330,084 |
| **Total assets** | 1,277,885,259 | 1,100,300,759 | 887,518,711 |

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| | *HK$* | *HK$* | *HK$* |
| **EQUITY** | | | |
| **Equity attributable to the owners of the Company** | | | |
| Share capital | 418,933,333 | 418,933,333 | 418,933,333 |
| Retained earnings *(note a)* | 341,815,954 | 282,687,394 | 184,602,489 |
| **Total equity** | 760,749,287 | 701,620,727 | 603,535,822 |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Financial liabilities at FVTPL | 511,911 | 430,453 | 578,837 |
| Accrued liabilities and other payables | 439,288,487 | 336,150,039 | 231,184,518 |
| Lease liabilities | 16,661,176 | 11,862,055 | 11,284,708 |
| Current tax liabilities | 16,909,158 | 13,980,413 | 4,428,493 |
| Amount due to a subsidiary | 33,655,317 | 16,222,037 | 4,609,243 |
| | 507,026,049 | 378,644,997 | 252,085,799 |
| **Non-current liabilities** | | | |
| Non-current portion of lease liabilities | 10,109,923 | 20,035,035 | 31,897,090 |
| **Total liabilities** | 517,135,972 | 398,680,032 | 283,982,889 |
| **Total equity and liabilities** | 1,277,885,259 | 1,100,300,759 | 887,518,711 |

**(a) Movement of Target Company's retained earnings**

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| | *HK$* | *HK$* | *HK$* |
| **Balance at 1 January** | 282,687,394 | 184,602,489 | 207,707,971 |
| Profit and other comprehensive income for the year | 333,685,673 | 282,687,394 | 184,602,489 |
| **Total comprehensive income** | 333,685,673 | 282,687,394 | 184,602,489 |
| Dividend paid | (274,557,113) | (184,602,489) | (207,707,971) |
| **Balance at 31 December** | 341,815,954 | 282,687,394 | 184,602,489 |

## 25. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Target Group, the Target Company or any of its subsidiaries have been prepared in respect of any period subsequent to the end of the Relevant Periods.

## 26. APPROVAL OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information were approved by the Board of Directors on 25 June 2025.

*The following is the text of a report prepared for the purpose of incorporation in this joint circular received from BMI Appraisals Limited, an independent valuer, in connection with its valuation as at 30 September 2024 of the market value of 南方東英資產管理有限公司 (in English, for identification purpose only, CSOP Asset Management Company Limited).*

BMI APPRAISALS

BMI Appraisals Limited 中和邦盟評估有限公司

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25 June 2025

The Directors
**GoFintech Quantum Innovation Limited**
Units No. 4102-06, 41/F
COSCO Tower
No. 183 Queen's Road Central
Hong Kong

Dear Sirs,

**Re: Valuation of 22.5% equity interest in CSOP Asset Management Company Limited**

## 1. INSTRUCTIONS

We refer to the instructions from GoFintech Quantum Innovation Limited (referred to as the "**Company**") for us to provide our independent opinion on the market value of 22.5% equity interest in CSOP Asset Management Company Limited (referred to as the "**Target Company**") with reference to the financial information of the Target Company and its subsidiaries (referred to as the "**Target Group**").

## 2. PURPOSE OF VALUATION

The purpose of our valuation is to provide an independent opinion on the market value of CSOP as at the date of valuation in relation to the acquisition of 22.5% equity interest in the Target Company.

## 3. DATE OF VALUATION

The date of valuation is 30 September 2024.

## 4. BASIS OF VALUATION

This report has been prepared in accordance with the International Valuation Standards issued by the International Valuation Standards Council.

Our valuation has been carried out on the basis of market value. Market value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

## 5. BACKGROUND OF THE COMPANY AND THE TARGET COMPANY

**Background of the Company**

The Company is a publicly listed company with limited liability. It was incorporated in Cayman Islands and has been listed on the Main Board of the Hong Kong Stock Exchange (stock code: 290) since 2001. The Company is principally engaged in investment banking, securities brokerage, asset management, margin financing, insurance brokerage, immigration investment, debt investment and equity investment.

**Background of the Target Company**

CSOP Asset Management Limited (i.e. the Target Company) is a private company with limited liability incorporated in Hong Kong since 2008. It is a privately owned investment manager, provides its services to pooled investment vehicles and also caters to high net worth individuals, investment companies and investment advisors. The Target Company manages separate client-focused portfolios for its clients. It launches and manages mutual funds for its clients and also manages ETFs for its clients. It invests in public equity and fixed income markets across the globe.

## 6. SOURCE OF INFORMATION

For the purpose of our valuation, we have been furnished with the financial and operational information in respect of the Target Group provided by the senior management of the Company.

We have no reason to doubt the truth and accuracy of the information provided to us, and we have been confirmed by the senior management of the Company that no material facts have been omitted from the information provided to us.

Apart from the information provided by the senior management of the Company, we also obtained market data, industry information and statistical figures from publicly available sources.

## 7. SCOPE OF WORKS

The following processes have been conducted by us in the course of our valuation:

- Interviewed with the senior management of the Company in respect of the core operation of the Target Group;
- Obtained relevant financial and operational information in respect of the Target Group from the senior management of the Company;
- Examined the basis and assumptions of the financial and operational information in respect of the Target Group provided by the senior management of the Company;
- Conducted appropriate research to obtain sufficient market data, industry information and statistical figures from publicly available sources; and
- Prepared the valuation and this report in accordance with generally accepted valuation procedures and practices.

## 8. VALUATION ASSUMPTIONS

Due to the changing economic and market conditions, a number of assumptions have to be adopted in our valuation. The major assumptions adopted in our valuation are as follows:

**General Market Assumptions**

- There will be no material change in the existing political, legal, fiscal, technological, economic and market conditions in the jurisdiction where the Target Company is currently or will be situated;
- There will be no material change in the taxation laws and regulations in the jurisdiction where the Target Company is currently or will be situated, that the tax rates will remain unchanged and that all applicable laws and regulations will be complied with;
- The market return, market risk, interest rates and exchange rates will not differ materially from those of present or expected;
- The supply and demand, both domestically and internationally, of the products and/or services of the Target Company or similar products and/or services will not differ materially from those of present or expected;
- The market prices and the relevant costs, both domestically and internationally, of the products and/or services of the Target Company or similar products and/or services will not differ materially from those of present or expected;

- The products and/or services of the Target Company or similar products and/or services are marketable and liquid, that there are active markets for the exchange of the products and/or services of the Target Company or similar products and/or services; and

- The market data, industry information and statistical figures obtained from publicly available sources are true and accurate.

**Company-specific Assumptions**

- All licenses, permits, certificates and consents issued by any local, provincial or national government or other authorized entity or organization that will affect the operation of the Target Company have been obtained or can be obtained upon request with an immaterial cost;

- The core operation of the Target Company will not differ materially from those of present or expected;

- The financial and operational information in respect of the Target Group have been prepared on a reasonable basis that have been arrived at after due and careful consideration by the senior management of the Company;

- The Target Company currently has, or will have, adequate human capital and capacity required for the production and/or provision of the products and/or services of the Target Company, and the required human capital and capacity will be acquired in a timely manner that will not affect the operation of the Target Company;

- The Target Company has acquired, or will acquire, adequate financial capital for the investments in projected capital expenditure and/or working capital from time to time, and any scheduled interest or repayment of loan and payable will be paid on time;

- The senior management of the Target Company will implement only those prospective financial and operational strategies that will maximize the efficiency of the operation of the Target Company;

- The senior management of the Target Company has sufficient knowledge and experience in respect of the operation of the Target Company, and the turnover of any director, management or key person will not affect the operation of the Target Company;

- The senior management of the Target company has adopted reasonable and appropriate contingency measures against any human disruption such as fraud, corruption and strike, and the occurrence of any human disruption will not affect the operation of the Target Company; and

- The senior management of the Target Company has adopted reasonable and appropriate contingency measures against any natural disaster such as fire, flood and hurricane, and the occurrence of any natural disaster will not affect the operation of the Target Company.

## 9. VALUATION APPROACH

**General Valuation Approaches**

The following generally accepted valuation approaches have been considered in the course of our valuation: (1) the income approach; (2) the market approach; and (3) the cost approach.

***Income Approach***

The income approach provides an indication of value based on the principle that an informed buyer would pay no more than the present value of anticipated future economic benefits generated by the subject asset.

The discounted cash flow (DCF) method is the most fundamental and prominent method of the income approach. In applying the DCF method, the free cash flows of the subject asset in future years were determined from the net income after tax plus non-cash expenses, such as depreciation and amortization expenses, and after-tax interest expense; the result was then less non-cash incomes, investment in capital expenditure and/or investment in net working capital.

***Market Approach***

The market approach provides an indication of value by comparing the subject asset to similar assets that have been sold in the market, with appropriate adjustments for the differences between the subject asset and the assets that are considered to be comparable to the subject asset.

Under the market approach, the guideline company method computes a price multiple for publicly listed companies that are considered to be comparable to the subject asset and then applies the result to a base of the subject asset. The sales comparison method computes a price multiple using recent sales and purchase transactions of assets that are considered to be comparable to the subject asset and then applies the result to a base of the subject asset.

***Cost Approach***

The cost approach provides an indication of value based on the principle that an informed buyer would pay no more than the cost of producing the same or a substitute asset with equal utility as the subject asset.

Under the cost approach, the historical cost method measures the cost incurred throughout the development of the subject asset at the time it was developed. The replication cost method measures the amount of investment that would be required to develop an asset similar to the subject asset. The replacement cost method measures the amount of investment that would be required to develop the subject asset as it currently exists.

**Selected Valuation Approach**

The selection of a valuation approach is based on, among other criteria, the quantity and quality of the information provided, access to available data, supply of relevant market transactions, type and nature of the subject asset, purpose and objective of the valuation and professional judgment and technical expertise.

The market approach was considered to be the most appropriate valuation approach in the valuation, as it is the most direct valuation approach which reflects the value obtained as a result of a consensus of what others in the market place have judged it to be.

## 10. VALUATION METHODOLOGY

Under the market approach, the guideline company method was adopted in the valuation. The guideline company method computes a price multiple for publicly listed companies that are considered to be comparable to the subject asset and then applies the result to a base of the subject asset, with adjustments of control premium and discount for lack of marketability if applicable. In applying the guideline company method, price multiples for publicly listed companies that are considered to be comparable to the Target Company were calculated. The price multiples are ratios that relate business value to some measure of the company's financial performance.

## 11. VALUATION PARAMETERS

**Comparable Companies**

For the purpose of our valuation, we referred to the information in respect of publicly listed companies that are considered to be comparable to the Target Company (referred to as the "**Comparable Companies**").

***Selection Criteria of the Comparable Companies***

The selection of the Comparable Companies was based on the comparability of the overall industry sector and geographical location. Although no two companies are ever exactly alike, behind the differences there are certain business universals such as required capital investment and overall perceived risks and uncertainties that guided the market in reaching the expected returns for companies with certain similar attributes.

The selection criteria of the Comparable Companies are as follows:

- The Comparable Companies mainly operates in the Asia Pacific region;
- The Comparable Companies are principally engaged in the provision of asset management services and the related operation;
- Shares of the Comparable Companies are listing in a major stock exchange and are being actively traded in a reasonable period of time; and
- Detailed financial and operational information in respect of the Comparable Companies are available at publicly available sources.

The selection of comparable companies follows the business segment and target market of the Target Company, comparable companies with asset management services mainly as their revenue segment according to their disclosed financial statement and which mainly operate in the Asia Pacific region will fall into the selection list of being comparable. It is confirmed that the selection of comparable companies is exhaustive, with all the comparable companies being profitable.

The comparable companies are selected from an exhaustive list from the section criteria.

According to their latest financial statements as at the date of valuation, set out below are details of their financial information;

| **Name of the Comparable Company** | **Business Location** |
|---|---|
| Ashmore Asset Management Indonesia | Indonesia |
| Australian Ethical Investment Limited | Australia |
| Azimut Holding S.p.A. | Asia-Pacific, Europe and America |
| MFC Asset Management Public Company Limited | Thailand |
| Nippon Life India Asset Management Limited | Japan |
| Platinum Asset Management Limited | Asia and Australia |
| SPARX Group Co., Ltd. | Japan |
| UTI Asset Management Company Limited | India |
| Value Partners Group Limited | Asia and World |

| Name of the Comparable Company | Market Capitalization *(in HK$ million)*[1] | Enterprise Value *(in HK$ million)*[1] | Asset Under Management *(in HK$ million)*[1] | Earnings *(in HK$ million)*[1] | EBITDA *(in HK$ million)*[1] |
|---|---|---|---|---|---|
| Ashmore Asset Management Indonesia | 865 | 777 | 383,209 | 53 | 68 |
| Australian Ethical Investment Limited | 2,657 | 2,534 | 54,410 | 81 | 117 |
| Azimut Holding S.p.A. | 29,178 | 28,344 | 523,252 | 4,754 | 6,957 |
| MFC Asset Management Public Company Limited | 875 | 891 | 109,600 | 47 | 70 |
| Nippon Life India Asset Management Limited | 38,263 | 38,009 | 3,738 | 1,047 | 1,307 |
| Platinum Asset Management Limited | 3,672 | 3,122 | 67,590 | 232 | 391 |
| SPARX Group Co., Ltd. | 2,992 | 2,585 | 101,277 | 283 | 441 |
| UTI Asset Management Company Limited | 14,653 | 15,032 | 1,735,100 | 759 | 984 |
| Value Partners Group Limited | 3,544 | 2,731 | 43,559 | 56 | 95 |

*Note 1:* The financial data is the latest retrievable data as at the date of valuation.

There are no adjustments based on the difference of comparable companies and Target Company in this valuation.

***Selected Comparable Companies***

By using an exhaustive list of comparables, asset management companies, such as the Target Company, are typically profitable companies, with publicly available information on asset under management. Our analysis has delved into geographic and business segments. Therefore, the selection was not based on financial position, market capitalization and size of assets under management etc. of the Target Company and the comparable companies.

The market approach relies on observed multiples from publicly traded companies as benchmarks, which already reflect market perceptions of size, risk, growth, and profitability differences. Since the multiples are derived from actual market data, they inherently incorporate the impact of these factors, thereby rendering further adjustments unnecessary. Moreover, based on the current exhaustive list, we have not observed a significant trend between the size of the comparables and their corresponding price multiples.

Given the above-mentioned selection criteria, the Comparable Companies were considered to be fair and representative samples. Details of the Comparable Companies are as follows:

**Comparable Company 1**

| | | |
|---|---|---|
| Name of Company | : | Ashmore Asset Management Indonesia |
| Stock Code | : | AMOR IJ |
| Stock Exchange | : | Indonesia Stock Exchange |
| Company Description | : | Ashmore Asset Management Indonesia operates as an investment management company. It offers funds solutions, equity, fixed income and other related activities. It serves customers worldwide. |

**Comparable Company 2**

| | | |
|---|---|---|
| Name of Company | : | Australian Ethical Investment Limited |
| Stock Code | : | AEF AU |
| Stock Exchange | : | Australian Securities Exchange |
| Company Description | : | Australian Ethical Investment Limited operates as a fund manager. It manages a portfolio of ethical investments that support society and the environment such as recycling, renewable energy, complementary healthcare, education and bio-diversity. |

**Comparable Company 3**

| | | |
|---|---|---|
| Name of Company | : | Azimut Holding S.p.A. |
| Stock Code | : | AZM IM |
| Stock Exchange | : | Italian Stock Exchange |

| | | |
|---|---|---|
| Company Description | : | Azimut Holding S.p.A., established in 1990 in Milan, Italy, is a global asset manager listed since 2004 and part of the FTSE MIB index. It operates in three segments – Public Markets, Private Markets and Emerging Markets – out of 17 countries across the Americas, EMEA and Asia-Pacific. Its business model integrates asset management and distribution focusing on retail, HNWI and institutional clients. |

**Comparable Company 4**

| | | |
|---|---|---|
| Name of Company | : | MFC Asset Management Public Company Limited |
| Stock Code | : | MFC TB |
| Stock Exchange | : | The Stock Exchange of Thailand |
| Company Description | : | MFC Asset Management Public Company Limited manages mutual funds including local open-end and close-end funds, country funds, pension funds and provident funds. It also provides clearing and settlement services of state enterprise bonds. |

**Comparable Company 5**

| | | |
|---|---|---|
| Name of Company | : | Nippon Life India Asset Management Limited |
| Stock Code | : | NAM IN |
| Stock Exchange | : | National Stock Exchange of India |
| Company Description | : | Nippon Life India Asset Management Limited operates as an investment management firm. It offers portfolio management, financial planning, mutual fund investment, and advisory services to individuals, institutions, trusts, and private funds. It serves customers in India. |

**Comparable Company 6**

| | | |
|---|---|---|
| Name of Company | : | Platinum Asset Management Limited |
| Stock Code | : | PTM AU |
| Stock Exchange | : | Australian Securities Exchange |
| Company Description | : | Platinum Asset Management Limited is a fund management company. It specializes in global equities. |

**Comparable Company 7**

| | | |
|---|---|---|
| Name of Company | : | SPARX Group Co., Ltd. |
| Stock Code | : | 8739 JP |
| Stock Exchange | : | Tokyo Stock Exchange |
| Company Description | : | SPARX Group Co., Ltd. is an asset management firm which provides investment advisory, investment trust management, and securities brokerage services. It provides equity and funds research, sales, and investment services for corporate and individual investors. |

**Comparable Company 8**

| | | |
|---|---|---|
| Name of Company | : | UTI Asset Management Company Limited |
| Stock Code | : | UTIAM IN |
| Stock Exchange | : | National Stock Exchange of India |
| Company Description | : | UTI Asset Management Company Limited operates as an investment management firm. It offers asset management, research analysis, portfolio construction, financial planning and advisory services to group of individual and institutional investors. It serves clients in India. |

**Comparable Company 9**

| | | |
|---|---|---|
| Name of Company | : | Value Partners Group Limited |
| Stock Code | : | 806 HK Equity |
| Stock Exchange | : | Hong Kong Stock Exchange |
| Company Description | : | Value Partners Group Limited is an independent, value oriented asset management group with a focus on China and the Asia-Pacific region. Its investor base include institutions, corporations, statutory authorities, university endowment funds, charitable foundations, high net worth individuals and retail investors. |

**Price Multiple**

In the course of our valuation, we have considered various price multiples including the enterprise value (EV)-to-sales multiple (EV/SALES), enterprise value (EV)-to-earnings before interest, taxes, depreciation and amortization (EBITDA) (EV/EBITDA) multiple, enterprise value (EV)-to-earnings before interest (EBIT) (EV/EBIT), price-to-earnings (P/E) multiple, the price-to-book (P/B) multiple and price-to-asset under management (AUM) (P/AUM) multiple.

EV/SALES is not appropriate for the valuation of the Target Company as it does not consider the company's profitability and only focuses on the amount of sales.

EV/EBIT is the enterprise value of the company which is the market capitalization plus the amount of debt, minority interest, preferred shares and less any cash divided by EBIT. EV/EBIT multiple is not appropriate for the valuation of the Target Company as it ignores the cost of debt capital or its tax effect.

P/B multiple is not appropriate for the valuation of the Target Company as the book value only captures the company's tangible assets but does not capture any intangible assets, company specific competencies and advantages.

For our valuation of the Target Company, we have adopted the average of EV/EBITDA, P/E and P/AUM multiple in assessing the Target Company as the Target Company is an asset management company which has a stable profitability. Thus, using EV/EBITDA and P/E multiple is commonly used for companies which are continuously profitable. We also adopted P/AUM multiple to consider the effect of the size of asset management company as the difference between AUM of comparable companies differs greatly.

EV is calculated using the following formula:

*EV = Market Cap + PE + MI + ST Debt + LT Debt – Cash*

Where:

| | | |
|---|---|---|
| *EV* | = | enterprise value |
| *Market Cap* | = | market capitalization |
| *PE* | = | preferred equity |
| *MI* | = | minority interest |
| *ST Debt* | = | short-term debt |
| *LT Debt* | = | long-term debt |
| *Cash* | = | cash and cash equivalents |

The EV/EBITDA, P/AUM and P/E multiples of the Comparable Companies are as follows:

| **Name of the Comparable Company** | **EV/ EBITDA** | **P/AUM** | **P/E** |
|---|---|---|---|
| Ashmore Asset Management Indonesia | 11.51 | 0.00 | 16.47 |
| Australian Ethical Investment Limited | 21.59 | 0.05 | 32.86 |
| Azimut Holding S.p.A. | 4.07 | 0.06 | 6.14 |
| MFC Asset Management Public Company Limited | 12.68 | 0.01 | 18.67 |
| Nippon Life India Asset Management Limited | 29.08 | 0.08 | 36.56 |
| Platinum Asset Management Limited | 7.98 | 0.05 | 15.85 |
| SPARX Group Co., Ltd. | 5.86 | 0.00 | 10.57 |
| UTI Asset Management Company Limited | 15.27 | 0.01 | 19.31 |
| Value Partners Group Limited | 28.88 | 0.08 | 63.77 |
| **Average:** | **15.21** | **0.04** | **24.47** |

***Discount for Lack of Marketability***

The discount for lack of marketability is a downward adjustment to the value of an investment to reflect its reduced level of marketability. The concept of marketability deals with the liquidity of an ownership interest, that is, how quickly and easily it can be converted into cash if the owner chooses to sell.

The discount for lack of marketability reflects the fact that there is no ready market for shares in a closely held company. Ownership interests in closely held companies are typically not readily marketable compared to similar interests in publicly listed companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly listed company.

As the Target Company is unlikely to undergo public offering and shares of the Target Company are unlikely to be listed in any major stock exchange or be marketable in any over-the-counter market in the near future with reference to the research result of Stout Restricted Stock Study, published by Business Valuation Resources, LLC in 2023, a discount for lack of marketability of 20.40% has been adopted in the valuation.

The average of market value using EV/EBITDA, P/AUM and P/E multiples of the Comparable Companies is taken for determination of the value of equity interest in the Target Company. The 22.5% equity interest of the Target Company is determined as follows.

*(HK$'000)*

| | |
|---|---|
| Earnings before interest, taxes, depreciation and amortization for the Target Group 12 months period from 1 October 2023 to 30 September 2024 | 377,461 |
| Average of EV/EBITDA multiple | 15.21 |
| Enterprise Value of the Target Group as at 30 September 2024 | 5,742,668 |
| Add: Cash and Cash Equivalent for the Target Group as at 30 September 2024 | 283,459 |
| Market value using EV/EBITDA multiple (before Discount for lack of marketability) | 6,026,128 |
| Less: Discount for lack of marketability (20.4%) | 1,229,330 |
| Market value using EV/EBITDA multiple for the Target Group as at 30 September 2024 | 4,796,798 |

* Products of the figures and sum of the figures may not equal to the total of the figures due to rounding.

| | *(HK$'000)* |
|---|---|
| Asset under management for the Target Group as at 30 September 2024 | 134,161,980 |
| Average of P/AUM multiple | 0.04 |
| Market value using P/AUM multiple (before Discount for lack of marketability) | 5,021,626 |
| Less: Discount for lack of marketability (20.4%) | 1,024,412 |
| Market value using P/AUM multiple for the Target Group as at 30 September 2024 | 3,997,214 |

* Products of the figures and sum of the figures may not equal to the total of the figures due to rounding.

| | *(HK$'000)* |
|---|---|
| Earnings for the Target Group 12 months period from 1 October 2023 to 30 September 2024 | 311,230 |
| Average of P/E multiple | 24.47 |
| Market value using P/E multiple (before Discount for lack of marketability) | 7,614,929 |
| Less: Discount for lack of marketability (20.4%) | 1,553,445 |
| Market value using P/E multiple for the Target Group as at 30 September 2024 | 6,061,484 |

* Products of the figures and sum of the figures may not equal to the total of the figures due to rounding.

| | *(HK$'000)* |
|---|---|
| Market value using EV/EBITDA multiple for the Target Group as at 30 September 2024 | 4,796,798 |
| Market value using P/AUM multiple for the Target Group as at 30 September 2024 | 3,997,214 |
| Market value using P/E multiple for the Target Group as at 30 September 2024 | 6,061,484 |
| Average of the market values using the three multiples: | |
| 100% equity interest in the Target Group as at 30 September 2024 | 4,951,832 |
| 22.5% equity interest in the Target Group as at 30 September 2024 | 1,110,000 |

* Products of the figures and sum of the figures may not equal to the total figures due to rounding.

## 12. STATEMENT OF INDEPENDENCE

We hereby certify that we have neither present nor prospective interest in the Company, the Target Company, the Target Group or the result reported. In addition, our directors are neither directors nor officers of the Company, the Target Company or the Target Group.

In the course of our valuation, we are acting independently of all parties.

Our fees are agreed on a lump-sum basis and are not correlated with the result as stated in this report.

## 13. REMARKS

For the purpose of our valuation, we have been furnished with information provided by the senior management of the Company. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought and received confirmation from the Company that no material facts have been omitted from the information supplied.

To the best of our knowledge, all data set forth in this report are true and accurate. Although gathered from reliable sources, no guarantee is made or liability assumed for the accuracy of any data, opinions or valuations identified as being furnished by others, which have been used in formulating our analysis.

Unless otherwise stated, all money amounts stated herein are in HK$.

## 14. CONCLUSION OF VALUE

Our conclusion of value is based on accepted valuation procedures and practices that rely on the use of numerous assumptions and the consideration of a lot of uncertainties, not all of which can be easily ascertained or quantified.

Further, whilst the assumptions and consideration of such matters are considered to be reasonable, they are inherently subject to uncertainties and contingencies that are beyond the control of the Company, the Target Company, the Target Group or us.

Based on our analysis outlined in this report, it is our independent opinion that the market value of 22.5% equity interest in CSOP Asset Management Company Limited (i.e. the Target Company) as at 30 September 2024 was **HK$1,110,000,000 (HONG KONG DOLLARS ONE BILLION ONE HUNDRED AND TEN MILLION ONLY)**.

Yours faithfully,
For and on behalf of
**BMI APPRAISALS LIMITED**

**Dr. Tony C. H. Cheng**
*BSc(Bldg), MUD, MBA(Finance), MSc.(Eng), PhD(Econ),*
*FSOE, FIPlantE, CEnv, FIPA, FAIA, FRSM, CPA UK, SIFM, FCMA,*
*FRSS, MCIArb, MASCE, MHKIE, MIEEE, MASME, MIIE, MASM, MIET*
***Managing Director***

*Note:*

*Dr. Tony C. H. Cheng has various engineering and accounting & finance qualifications. He is a Fellow member of Royal statistical Society, Fellow member of the Society of Operations Engineers, and the Institution of Plant Engineers, and a member of the Hong Kong Institution of Engineers and the American Society of Mechanical Engineers.*

*Besides, Dr. Cheng is a Fellow member of Association of International Accountants, Fellow member of the Institute of Public Accountants, and the Institute of Financial Accountants. He is also a Fellow member and Committee member of the Certified Management Accountants Australia. He has extensive experience in valuing similar assets in different industries in the Asia-Pacific region.*

The Target Company was incorporated in Hong Kong with limited liability. The principal activity of the Target Company is to provide asset management services. The Target Company is licensed by the SFC to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities.

The Target Company's financial year ends on 31 December. Set out below is the management discussion and analysis on the Target Company for the three financial years ended 31 December 2022, 31 December 2023 and 31 December 2024. The discussion and analysis relate to the consolidated results and financial position of the Target Company. The following discussion and analysis should be read in conjunction with the accountants' report set out in Appendix III to this joint circular.

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**Business and financial review**

The Target Company has identified only one operating segment, as its principal activity is to provide asset management services. Accordingly, segment disclosures are not presented.

As of 31 December 2022, the total asset under management ("**AUM**") (including GAMA index tracking notional amount) of the Target Company and its subsidiaries (together, the "**Target Group**") increased by 6%, rising from HK$92.9 billion at the year end of 2021 to HK$98.6 billion. With the comprehensive impacts of COVID-19 pandemic, geopolitical conflicts and the sharp interest rate increase of the Federal Reserve, equity markets, bond markets and currency markets all faced a tough year. In 2022, Shanghai and Shenzhen stock markets in mainland China dropped by 15.1% and 25.9% respectively. The Hang Seng Index of Hong Kong decreased sharply by 15.5%. And RMB against USD depreciated by 8.5%. Despite all this, the Target Group focused on ETF business development and expanded its market shares. Mainly contributed from (1) the significant subscription of Hang Seng Tech ETF; (2) the popular leverage and inverse products; and (3) the new set-up of ETFs, the total AUM of the Target Group kept growth.

During the year ended 31 December 2022, the Target Group launched 9 ETFs/ETPs in total, such as CSOP Metaverse Concept ETF, CSOP Bitcoin Futures ETF, CSOP Ether Futures ETF, CSOP CGS-CIMB FTSE Asia Pacific Low Carbon Index ETF, CSOP FTSE Vietnam 30 ETF etc.. As at 31 December 2022, the Target Group managed 46 ETFs, with the AUM reached to HK$76.5 billion, 12.5% year-over-year ("**YOY**") growth and 78% of total group AUM.

As to the non-ETF products, the AUM of the Target Group amounted to HK$22.1 billion, taking up 22% of total group AUM. It decreased by 11% compared to the year end of 2021.

During the year ended 31 December 2022, contributed with the increase of average daily AUM, the net profit of the Target Group increased by 1% to HK$ 193 million compared with the year ended 31 December 2021. The increase of net profit was mainly reflected in the increase of management fee income.

**Capital structure, liquidity and financial resources**

The Target Group's net assets decreased by 3.2% from HK$616 million as at 31 December 2021 to HK$596 million as at 31 December 2022. The net asset value per share decreased from HK$2.31 to HK$2.24 at the year end. On the reporting date of the annual financial statements for the year ended 31 December 2022, the Target Company announced HK$185 million dividend distribution.

The gearing ratio, which is calculated on the basis of total liabilities over total equity as at 31 December 2022, was 0.55 (31 December 2021: 0.53). The Target Company managed to maintain low leverage policy for its business operation. The increase of gearing ratio was mainly due to the increase in bonus payables as at the year end of 2022.

At the company financial statement level, financial assets at fair value through profit or loss amounted to HK$490 million as at 31 December 2022, reflecting an increase of HK$97 million from HK$393 million during the year. The increase was mainly due to the subscription of investments to CSOP SG USO Money Market Fund, CSOP Selected USO Bond Fund, and ICBC CSOP FTSE Government and Policy Bank Bond ETF.

As at 31 December 2022, the total invested amount to the consolidated funds was HK$211 million, marking an increase of HK$25 million compared with the year end of 2021. This was mainly due to new subscription during the year.

During the year ended 31 December 2022, bank and cash balances of the Target Group significantly decreased from HK$364 million to HK$232 million. This decline was primarily due to the net effects of (i) dividend payment; (ii) subscription of investments to funds; and (iii) net cash inflows from operating activities.

**Significant investment**

For the year ended 31 December 2022, save for the direct investment in the investee funds and the indirect investment in equities, exchange traded fund and debt securities via investment in the CSOP Select US Dollar Bond Fund (the "**Subsidiary Fund**") as disclosed in the accountants' report of the Target Group under section headed "note 3 Financial Risk Management", as set out in Appendix III of this joint circular, the Target Company did not hold any significant investment.

**Material acquisitions and disposals of subsidiaries and associated companies**

For the year ended 31 December 2022, the Target Company did not have any significant acquisition or disposal of any subsidiary or associated company.

**Employment and remuneration policy**

Employees' remuneration is determined based on the employees' skill, knowledge and involvement in the Target Company's affairs and by reference to the Target Company's performance, remuneration benchmark in the industry and the prevailing market conditions.

The Target Company has provided employees with opportunities for their career development. The Target Company's policy is to encourage employees to take part in professional examinations, seminars and training courses related to their roles and duties through course fee subsidies and leave grants. Competitive remuneration is also offered to employees and their performance is reviewed on an annual basis reflecting each employee's contributions to the Target Company.

***(i) Bonus plan***

The expected cost of bonus payments is recognised as a liability when the Target Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligations can be made.

***(ii) Pension obligations***

The Target Group participates in a mandatory provident fund scheme, the assets of which are held in a separate trustee-administrated fund. The pension plans are funded by payments from employees and by the Target Group.

The Target Group's contributions to the mandatory provident fund scheme are expensed as incurred. This plan is funded by payments from both employees and the Target Group. The Target Group has no further payment obligations once the contributions have been paid.

***(iii) Employee leave entitlements***

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

All employees are required to make declarations regarding the compliance manual and the codes of conduct as well as disclosure of existing investment accounts and outside interests. The Target Company held trainings for all staff at least 4 times a year to make them better aware of the compliance requirements. Employees are not allowed to solicit or accept any advantage for themselves or others, from any person, company or organisations having business dealings with the Target Company.

**Future plans for material investments or capital assets**

As at 31 December 2022, the Target Company did not have any future plans for material investments or capital assets, but the Target Company might, at any point, be considering making investments to its own managed funds as seed money, to support and develop the asset management business.

**Charges on assets**

As at 31 December 2022, the Target Company did not have any charges on assets.

**Foreign exchange risk**

The functional currency of the Target Group is HK$. The Target Group is therefore exposed to foreign exchange risk, as the value of the assets denominated in other currencies will fluctuate due to changes in exchange rates.

The Target Group's transactions, assets and liabilities are mainly denominated in USD, HK$, RMB, Euro ("**EUR**"), Australian dollar ("**AUD**"), Singapore dollar ("**SGD**") and Swiss Franc ("**CHF**"). Assets and liabilities denominated in USD is not considered as subject to foreign exchange risk as it is currently pegged to the HK$ within a narrow range.

The table below summarises the Target Group's monetary and non-monetary exposure to currency risks, excluding forward foreign exchange contracts and the impact on net assets should the currencies have strengthened or weakened by 500 basis points or 5% against the HK$, with all other variables remaining constant, as at 31 December 2022.

| **At 31 December 2022** | | | | | |
|---|---|---|---|---|---|
| **Original currencies** | **RMB** | **EUR** | **AUD** | **SGD** | **CHF** |
| | *HK$* | *HK$* | *HK$* | *HK$* | *HK$* |
| **Assets** | | | | | |
| Monetary assets | 26,595,705 | 1,182,097 | 2,693,397 | 1,558,669 | 56,639 |
| Non-monetary assets | 114,776,707 | 150 | – | – | – |
| **Liabilities** | | | | | |
| Non-monetary liabilities | (616,138) | – | – | – | – |
| Net exposure | 140,756,274 | 1,182,247 | 2,693,397 | 1,558,669 | 56,639 |
| **Impact on net assets attributable to owner** | | | | | |
| Estimated basis point change in the relevant exchange rate of the foreign currency against HK$ | 500 basis points | 500 basis points | 500 basis points | 500 basis points | 500 basis points |
| Monetary | 1,329,785 | 59,105 | 134,670 | 77,933 | 2,832 |
| Non-monetary | 5,708,028 | 8 | – | – | – |

## Contingent liabilities

As at 31 December 2022, the Target Company had no material contingent liabilities.

**FOR THE YEAR ENDED 31 DECEMBER 2023**

**Business and financial review**

The Target Company has identified only one operating segment, as its principal activity is to provide asset management services. Accordingly, segment disclosures are not presented.

As of 31 December 2023, the total AUM (including GAMA index tracking notional amount) of the Target Group increased by 17%, rising from HK$98.6 billion at the year end of 2022 to HK$115.3 billion. Due to the comprehensive impacts of geopolitical conflicts and the sharp interest rate increase of the Federal Reserve, equity markets, bond markets and currency markets all experienced another tough year. In 2023, Shanghai and Shenzhen stock markets in mainland China dropped by 3.7% and 13.5% respectively. The Hang Seng Index and Hang Seng Tech Index of Hong Kong decreased sharply by 13.8% and 8.8% respectively. RMB continued to depreciate against USD by 2.9% following the sharp decline in 2022. Despite all this, the Target Group focused on ETF business development and expanded its market shares, which was mainly contributed from (1) the significant subscription of Hang Seng Tech ETF; (2) the popular leverage and inverse products; (3) the increasing investment demands on money market funds with higher return rates; and (4) the new set-up of ETFs. The total AUM of the Target Group kept growth.

During the year ended 31 December 2023, the Target Group launched 3 ETFs in total, including CSOP iEdge Southeast Asia+ TECH Index ETF, CSOP Huatai-PineBridge SSE Dividend Index ETF, and CSOP Saudi Arabia ETF. As at 31 December 2023, the Target Group managed 48 ETFs, with the AUM reached HK$94.1 billion, 23.0% YOY growth and 82% of total group AUM.

As to the non-ETF products, the AUM amounted to HK$21.2 billion, taking up 18% of total group AUM. It decreased by 4.5% compared to the year end of 2022.

During the year ended 31 December 2023, driven by the increase in the average daily AUM, the net profit of the Target Group increased by 45% to HK$279 million compared with the year ended 31 December 2022. The increase of net profit was mainly reflected in the increase of management fee income.

**Capital structure, liquidity and financial resources**

The Target Group's net assets increased by 16.1% from HK$596 million as at 31 December 2022 to HK$692 million as at 31 December 2023. The net asset value per share increased from HK$2.24 to HK$2.59 at the year end. On the reporting date of the annual financial statements for the year ended 31 December 2023, the Target Company announced HK$275 million dividend distribution.

The gearing ratio, which is calculated on the basis of total liabilities over total equity as at 31 December 2023, was 0.57 (31 December 2022: 0.55). The Target Company managed to maintain low leverage policy for its business operation. The increase of gearing ratio was mainly due to the increase in bonus payables as at the year end of 2023.

At the company financial statement level, financial assets at fair value through profit or loss amounted to HK$614 million as of 31 December 2023, reflecting an increase of HK$125 million from HK$490 million during the year. The increase was mainly due to the subscription of investments to CSOP HKD Money Market ETF and CSOP USD Money Market ETF.

As of 29 November 2023, due to the large subscription from investors, the unit holding shares to the consolidated fund of the Target Group decreased to 11.8%. Therefore, the fund was deconsolidated since then.

During the year ended 31 December 2023, bank and cash balances (including fixed deposits) of the Target Group significantly increased from HK$232 million to HK$316 million by 36.3%, mainly attributable to the net effects of (i) dividend payment; (ii) subscription of investments to funds; and (iii) net cash inflows from operating activities.

**Significant investment**

For the year ended 31 December 2023, save for the direct investment in the investee funds and the indirect investment in equities, exchange traded fund and debt securities via investment in the Subsidiary Fund as disclosed in the accountants' report of the Target Group under section headed "note 3 Financial Risk Management", as set out in Appendix III of this joint circular, the Target Company did not hold any significant investment.

**Material acquisitions and disposals of subsidiaries and associated companies**

For the year ended 31 December 2023, the Target Company did not have any significant acquisition or disposal of any subsidiary or associated company.

**Employment and remuneration policy**

Employees' remuneration is determined based on the employees' skill, knowledge and involvement in the Target Company's affairs and by reference to the Target Company's performance, remuneration benchmark in the industry and the prevailing market conditions.

The Target Company has provided employees with opportunities for their career development. The Target Company's policy is to encourage employees to take part in professional examinations, seminars and training courses related to their roles and duties through

course fee subsidies and leave grants. Competitive remuneration is also offered to employees and their performance is reviewed on an annual basis reflecting each employee's contributions to the Target Company.

***(i) Bonus plan***

The expected cost of bonus payments is recognised as a liability when the Target Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligations can be made.

***(ii) Pension obligations***

The Target Group participates in a mandatory provident fund scheme, the assets of which are held in a separate trustee-administrated fund. The pension plans are funded by payments from employees and by the Target Group.

The Target Group's contributions to the mandatory provident fund scheme are expensed as incurred. This plan is funded by payments from both employees and the Target Group. The Target Group has no further payment obligations once the contributions have been paid.

***(iii) Employee leave entitlements***

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

All employees are required to make declarations regarding the compliance manual and the codes of conduct as well as disclosure of existing investment accounts and outside interests. The Target Company held trainings for all staff at least 4 times a year to make them better aware of the compliance requirements. Employees are not allowed to solicit or accept any advantage for themselves or others, from any person, company or organisations having business dealings with the Target Company.

**Future plans for material investments or capital assets**

As at 31 December 2023, the Target Company did not have any future plans for material investments or capital assets, but the Target Company might, at any point, be considering making investments to its own managed funds as seed money, to support and develop the asset management business.

**Charges on assets**

As at 31 December 2023, the Target Company did not have any charges on assets.

**Foreign exchange risk**

The functional currency of the Target Group is HK$. The Target Group is therefore exposed to foreign exchange risk, as the value of the assets denominated in other currencies will fluctuate due to changes in exchange rates.

The Target Group's transactions, assets and liabilities are mainly denominated in USD, HK$, RMB, EUR, AUD, SGD and CHF. Assets and liabilities denominated in USD is not considered as subject to foreign exchange risk as it is currently pegged to the HK$ within a narrow range.

The table below summarises the Target Group's monetary and non-monetary exposure to currency risks, excluding forward foreign exchange contracts and the impact on net assets should the currencies have strengthened or weakened by 500 basis points or 5% against the HK$, with all other variables remaining constant, as at 31 December 2023.

| **At 31 December 2023** | | | | | |
|---|---|---|---|---|---|
| **Original currencies** | **RMB** | **EUR** | **AUD** | **SGD** | **CHF** |
| | *HK$* | *HK$* | *HK$* | *HK$* | *HK$* |
| **Assets** | | | | | |
| Monetary assets | 50,583,666 | 1,978,828 | 2,695,392 | 6,292,510 | 52,570 |
| Non-monetary assets | 107,563,029 | – | – | 7,564,030 | – |
| **Liabilities** | | | | | |
| Non-monetary liabilities | (616,156) | – | – | (13,306,230) | – |
| Net exposure | 157,530,539 | 1,978,828 | 2,695,392 | 550,310 | 52,570 |
| **Impact on net assets attributable to owner** | | | | | |
| Estimated basis point change in the relevant exchange rate of the foreign currency against HK$ | 500 basis points | 500 basis points | 500 basis points | 500 basis points | 500 basis points |
| Monetary | 2,529,183 | 98,941 | 134,770 | 314,625 | 2,628 |
| Non-monetary | 5,347,344 | – | – | 378,202 | – |

## Contingent liabilities

As at 31 December 2023, the Target Company had no material contingent liabilities.

**FOR THE YEAR ENDED 31 DECEMBER 2024**

**Business and financial review**

The Target Company has identified only one operating segment, as its principal activity is to provide asset management services. Accordingly, segment disclosures are not presented.

As of 31 December 2024, the total AUM (including GAMA index tracking notional amount) of the Target Group increased by 34%, rising from HK$115.3 billion at the year end of 2023 to HK$153.9 billion. Although the capital market suffered negative comprehensive impacts because of geopolitical conflicts, Sino-American competition and the adjustment of Chinese real estate industry, with the stimulus policies from September of the year, equity markets, bond markets and currency markets generally achieved good performance. In 2024, Shanghai and Shenzhen stock markets in mainland China increased by 12.7% and 9.3% respectively. The Hang Seng Index and Hang Seng Tech Index of Hong Kong increased sharply by 17.7% and 18.7% respectively. RMB continued to depreciate against USD by 1.5%, which was the third consecutive year of decline.

The Target Group focused on ETF business development and expanded its market shares, which was mainly contributed from (1) the significant net subscription of Hang Seng Tech ETF; (2) the increasing investment demands on money market funds with high return rates; and (3) the new set-up of ETFs. The total AUM of the Target Group kept rapid growth.

During the year ended 31 December 2024, the Target Group launched 8 ETFs in total, including CSOP FTSE US Treasury 20+ Years Index ETF, CSOP Nikkei 225 Index ETF, CSOP Huatai-PineBridge CSI 300 ETF, CSOP Bitcoin Futures Daily (-1x) Inverse Product, CSOP MSCI HK China Connect Select ETF, CSOP Nikkei 225 Daily (2x) Leveraged Product, CSOP Nikkei 225 Daily (-2x) Inverse Product, and CSOP MAG Seven ETF. As at 31 December 2024, the Target Group managed 45 ETFs, with the AUM reaching HK$120.4 billion, 28% YOY growth and 78% of total group AUM.

As to the non-ETF products, the AUM amounted to HK$33.5 billion, taking up 22% of total group AUM. It increased by 58% compared to the year end of 2023.

During the year ended 31 December 2024, driven by the increase in the average daily AUM, the net profit of the Target Group increased by 28% to HK$356 million compared with the year ended 31 December 2023. The increase of net profit was mainly reflected in the increase of net management fee income.

**Capital structure, liquidity and financial resources**

The Target Group's net assets increased by 11.8% from HK$692 million as at 31 December 2023 to HK$774 million as at 31 December 2024. The net asset value per share increased from HK$2.59 to HK$2.90 at the year end. On the reporting date of the annual financial statements for the year ended 31 December 2024, the Target Company announced HK$345 million dividend distribution.

The gearing ratio, which is calculated on the basis of total liabilities over total equity as at 31 December 2024, was 0.66 (31 December 2023: 0.57). The Target Company managed to maintain low leverage policy for its business operation. The increase of gearing ratio was mainly due to the increase in operating expense accruals as at the year end of 2024.

At the company financial statement level, financial assets at fair value through profit or loss amounted to HK$646 million as of 31 December 2024, reflecting an increase of HK$35 million from HK$614 million during the year. The increase was mainly due to the subscription of investments to CSOP FTSE US Treasury 20+ Index ETF and CSOP USD Money Market ETF.

During the year ended 31 December 2024, bank and cash balances (including fixed deposits) of the Target Group significantly increased from HK$316 million to HK$426 million by 34.5%, mainly attributable to the net effects of (i) dividend payment; (ii) subscription of investments to funds; and (iii) net cash flows in from operating activities.

**Significant investment**

For the year ended 31 December 2024, save for the direct investment in the investee funds and the indirect investment in equities, exchange traded fund and debt securities via investment in the Subsidiary Fund as disclosed in the accountants' report of the Target Group under section headed ''note 3 Financial Risk Management'', as set out in Appendix III of this joint circular, the Target Company did not hold any significant investment.

**Material acquisitions and disposals of subsidiaries and associated companies**

For the year ended 31 December 2024, the Target Company did not have any significant acquisition or disposal of any subsidiary or associated company.

**Employment and remuneration policy**

Employees' remuneration is determined based on the employees' skill, knowledge and involvement in the Target Company's affairs and by reference to the Target Company's performance, remuneration benchmark in the industry and the prevailing market conditions.

The Target Company has provided employees with opportunities for their career development. The Target Company's policy is to encourage employees to take part in professional examinations, seminars and training courses related to their roles and duties through course fee subsidies and leave grants. Competitive remuneration is also offered to employees and their performance is reviewed on an annual basis reflecting each employee's contributions to the Target Company.

***(i) Bonus plan***

The expected cost of bonus payments is recognised as a liability when the Target Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligations can be made.

***(ii) Pension obligations***

The Target Group participates in a mandatory provident fund scheme, the assets of which are held in a separate trustee-administrated fund. The pension plans are funded by payments from employees and by the Target Group.

The Target Group's contributions to the mandatory provident fund scheme are expensed as incurred. This plan is funded by payments from both employees and the Target Group. The Target Group has no further payment obligations once the contributions have been paid.

***(iii) Employee leave entitlements***

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

All employees are required to make declarations regarding the compliance manual and the codes of conduct as well as disclosure of existing investment accounts and outside interests. The Target Company held trainings for all staff at least 4 times a year to make them better aware of the compliance requirements. Employees are not allowed to solicit or accept any advantage for themselves or others, from any person, company or organisations having business dealings with the Target Company.

**Future plans for material investments or capital assets**

As at 31 December 2024, the Target Company did not have any future plans for material investments or capital assets, but the Target Company might, at any point, be considering making investment to its own managed funds as seed money, to support and develop the asset management business.

**Charges on assets**

As at 31 December 2024, the Target Company did not have any charges on assets.

**Foreign exchange risk**

The functional currency of the Target Group is HK$. The Target Group is therefore exposed to foreign exchange risk, as the value of the assets denominated in other currencies will fluctuate due to changes in exchange rates.

The Target Group's transactions, assets and liabilities are mainly denominated in USD, HK$, RMB, EUR, AUD, SGD and CHF. Assets and liabilities denominated in USD is not considered as subject to foreign exchange risk as it is currently pegged to the HK$ within a narrow range.

The table below summarises the Target Group's monetary and non-monetary exposure to currency risks, excluding forward foreign exchange contracts and the impact on net assets should the currencies have strengthened or weakened by 500 basis points or 5% against the Hong Kong dollars, with all other variables remaining constant, as at 31 December 2024.

| **At 31 December 2024** | | | | | |
|---|---|---|---|---|---|
| **Original currencies** | **RMB** | **EUR** | **AUD** | **SGD** | **CHF** |
| | *HK$* | *HK$* | *HK$* | *HK$* | *HK$* |
| **Assets** | | | | | |
| Monetary assets | 56,007,316 | 115,569 | 2,459,546 | 5,523,562 | 48,487 |
| Non-monetary assets | 103,919,065 | – | – | 3,590,228 | – |
| **Liabilities** | | | | | |
| Non-monetary liabilities | (708,408) | – | – | (21,107,590) | – |
| Net exposure | 159,217,973 | 115,569 | 2,459,546 | (11,993,800) | 48,487 |
| **Impact on net assets attributable to owner** | | | | | |
| Estimated basis point change in the relevant exchange rate of the foreign currency against HK$ | 500 basis points | 500 basis points | 500 basis points | 500 basis points | 500 basis points |
| Monetary | 2,800,366 | 5,778 | 122,977 | 276,178 | 2,424 |
| Non-monetary | 5,195,953 | – | – | 179,511 | – |

## Contingent liabilities

As at 31 December 2024, the Target Company had no material contingent liabilities.

Set out below is the management discussion and analysis of the GoFintech Group for each of the three financial years ended 31 March 2022, 31 March 2023 and 31 March 2024 and the six months ended 30 September 2024, as extracted from the relevant sections in the annual reports of GoFintech for each of the three financial years ended 31 March 2022, 31 March 2023 and 31 March 2024 and the interim report of GoFintech for the six months ended 30 September 2024. Such extracted information was prepared prior to the date of this joint circular and represents the opinions and beliefs of the then GoFintech Directors at the time the relevant reports were issued.

**FOR THE YEAR ENDED 31 MARCH 2022**

**Business Overview – General**

In 2021, impacted by various internal and external factors such as intensified global geopolitical conflicts, tightening liquidity, the resurgence of the COVID-19 pandemic, and the slowdown in China's economic growth, Hong Kong's capital market has experienced a challenging year. In the civil year of 2021, regarding the secondary equity market, due to direct factors such as more frequent Sino-US frictions and increased policy risks, the confidence of investor has been severely impacted, resulting a significant decline of approximately 14% in the Hang Seng Index. The Hang Seng Tech Index even led the global stock indexes in terms of decline, closing down about 33% for the year. In the primary market of Hong Kong stocks, there were only 95 new IPOs on the main board, down about 30% from 136 in the previous year. However, the GoFintech Group foresees that there are still a number of large-scale stocks with Chinese concept planning to be listed in Hong Kong as its secondary listing place in the year. In addition, the implementation of the SPAC system has also added new energy to the market, and the confidence of the market is gradually being restored.

The substantial changes in the capital market environment have put pressure on the income stream of financial institutions. The GoFintech Group's investment banking business has entered a reserve period after a stellar performance in 2020, with a number of quality projects in progress in hand. In the 2021/22 fiscal year, the GoFintech Group completed two underwriting projects of medium and large IPOs of New Hope Service and Dongguan Rural Commercial Bank, and successfully promoted the issuance of USD bonds of Shimao Group. In addition to the sponsor and underwriting business, the GoFintech Group's investment and capital management business are also a breakthrough. In the previous year, the GoFintech Group participated in the Series B financing of a star project, namely Genuine Biotech (真實生物), and launched one of the first onshore limited partnership funds (LPFs) in the Hong Kong market. Relying on the cross-border asset management license of the GoFintech Group's Shenzhen subsidiary, the GoFintech Group also successfully launched the first QFLP fund (categorized as FOF) in Shenzhen, the first batch of QFLP funds in the Hainan market and few QDIE contractual funds in the Shenzhen market, which has successfully promoted the popularity of cross-border asset management business in the market. GoFintech also focused on the construction of financial technology infrastructure,

completed the overall upgrade of the securities trading APP, provided customers with more professional and comprehensive technical support through technology empowerment, and improved the service capabilities for securities trading and margin customers.

**Business Overview – Segments**

***Securities Brokerage and Margin Financing***

The business of securities brokerage and margin financing is one of the main revenue streams of the GoFintech Group. For the year ended 31 March 2022 (the "**2022 Reporting Year**"), the business of securities brokerage and margin financing recorded a revenue of approximately HK$37,222,000, representing a decrease of approximately 27.04% as compared to the revenue of approximately HK$51,014,000 for the corresponding period in 2021. No net investment gain was recorded for the 2022 Reporting Year (2021: approximately HK$5,702,000). The segment loss for the 2022 Reporting Year amounted to approximately HK$476,000 (2021: segment profit approximately HK$11,635,000), representing a decrease in profit of approximately 104.09% as compared with the corresponding period in 2021. The GoFintech Group's strategy is to focus and strengthen existing securities operation and work in close collaboration with the GoFintech Group's corporate finance business as well as wealth management business, in order to provide a one-stop integrated financial services to better serve the GoFintech Group's institutional and high net worth individual clients.

***Corporate Financing***

The corporate finance market was under a keen competition during the 2022 Reporting Year. Segment revenue from corporate finance business decreased by approximately 82.09% from approximately HK$38,207,000 to approximately HK$6,844,000 while the segment loss for the 2022 Reporting Year amounted to approximately HK$11,652,000 (2021: segment profit approximately HK$319,000).

***Money Lending***

During the 2022 Reporting Year, the money lending market was under intensive competition locally. The GoFintech Group recorded an interest income from money lending of approximately HK$8,348,000 (2021: approximately HK$31,354,000), representing a decrease of approximately 73.38% as compared with the corresponding period in 2021.

***Consultancy and Insurance Brokerage***

During the 2022 Reporting Year, the GoFintech Group recorded a segment revenue from consultancy services and insurance brokerage services of approximately HK$1,242,000 (2021: approximately HK$1,487,000), representing a reduction of approximately 16.48% as compared with the corresponding period in 2021.

***Asset Management***

During the 2022 Reporting Year, the GoFintech Group recorded a segment revenue and net investment loss from asset management of approximately HK$1,774,000 (2021: segment revenue and net investment gains approximately HK$23,153,000), representing a decrease in segment revenue of approximately 92.34% as compared with the corresponding period in 2021. The increase in segment loss was mainly attributable to a net investment loss from investment in financial assets and reduction of financial assets investment during the 2022 Reporting Year.

**Financial Review**

***Revenue***

As at 31 March 2022, the GoFintech Group's total revenue amounted to approximately HK$58,487,000, representing a year-on-year decrease of approximately 56%, with the loss before tax of approximately HK$79,534,000. The loss was mainly due to the rapid deterioration of the market environment, which resulted in a decrease in the GoFintech Group's revenue.

For the 2022 Reporting Year, revenue and net investment losses of the GoFintech Group amounted to approximately HK$55,336,000, representing a decrease of approximately 63.27% from approximately HK$150,670,000 for the corresponding period in 2021.

The decrease was mainly attributable to a certain decrease in the revenue of each segment of the GoFintech Group and a net investment loss from investment in financial assets.

***Loss before Tax and Loss attributable to equity holders of the GoFintech Group***

The GoFintech Group recorded a loss of approximately HK$79,309,000 for the 2022 Reporting Year, as compared with the loss of approximately HK$13,495,000 for the corresponding period in 2021. For the 2022 Reporting Year, net loss attributable to owners of GoFintech amounted to approximately HK$79,309,000, representing an increase of approximately 487.69% compared with the loss of approximately HK$13,495,000 for the corresponding period in 2021.

The overall performance of net loss attributable to owners of GoFintech increased during the 2022 Reporting Year mainly due to (i) a decrease in revenue; (ii) a net investment losses from investment in financial assets; (iii) expected credit losses on loan and trade receivable; and (iv) impairment loss.

***(Losses)/earnings per share***

The basic and diluted loss per share of GoFintech for the 2022 Reporting Year was approximately HK8.66 cents as compared with the basic and diluted loss per share of approximately HK1.47 cents for the corresponding period in 2021.

Basic (losses)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of GoFintech by the weighted average number of ordinary shares outstanding during the financial year. Diluted (losses)/earnings per share adjusts the figures used in the determination of basic (losses)/earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

The calculation of diluted loss per share for the 2022 Reporting Year does not assume the exercise of GoFintech's outstanding convertible bonds which had anti-dilutive effect and would result in a reduction in loss per share. Therefore, the diluted loss per share is the same as the basic loss per share for the 2022 Reporting Year.

***Dividend***

The GoFintech Directors did not recommend the payment of final dividend for the 2022 Reporting Year.

***Capital Risk Management***

The GoFintech Group manages its capital to ensure that entities in the GoFintech Group will be able to continue as a going concern while maximising the return to the GoFintech Shareholders through the optimisation of the debt and equity balances.

The capital structure of the GoFintech Group consists of debt, which includes convertible bonds, corporate bonds, lease liabilities, loans, cash and cash equivalents and equity attributable to owners of GoFintech, which comprises issued share capital and reserves.

The GoFintech Directors review the capital structure regularly. As part of the review, the GoFintech Directors consider the cost of capital and the risks associated with each class of capital, and take appropriate actions to adjust the GoFintech Group's capital structure. The overall strategy of the GoFintech Group remained unchanged during the 2022 Reporting Year and the year ended 31 March 2021. For certain subsidiaries of the GoFintech Group, they are regulated by the SFC and are required to comply with certain minimum capital requirements according to the rules of the SFC. The GoFintech Group's management monitors, on a daily basis, the subsidiaries' liquid capital level to ensure they meet with the minimum liquid capital requirement in accordance with the Hong Kong Securities and Futures (Financial Resources) Rules. The range of liquid capital is from HK$100,000 to HK$3,000,000 or 5% of their total adjusted liabilities, whichever is higher.

One of the subsidiaries of the GoFintech Group is a licensed insurance intermediary under the Insurance Ordinance (Cap. 41 of the Laws of Hong Kong) and is required to maintain a minimum net asset value of HK$100,000 at all times. There was no non-compliance of the capital requirements of the GoFintech Group members imposed by respective regulators during the 2022 Reporting Year.

***Liquidity, financial resources and gearing ratio***

During the 2022 Reporting Year, the GoFintech Group mainly financed its operations by cash generated from operating activities and loans.

As at 31 March 2022, the GoFintech Group's current assets and current liabilities were approximately HK$492,586,000 (2021: approximately HK$787,720,000) and approximately HK$321,401,000 (2021: approximately HK$567,605,000) respectively, while the current ratio was about 1.53 times (2021: 1.39 times).

As at 31 March 2022, the GoFintech Group's aggregate cash and cash equivalents amounted to approximately HK$190,418,000 (2021: approximately HK$263,850,000), of which approximately 57.09% was denominated in HK$ (2021: approximately 73.29%), approximately 39.90% was denominated in USD (2021: approximately 24.57%), and approximately 3.01% was denominated in RMB (2021: approximately 2.14%), representing approximately 38.66% (2021: approximately 33.50%) of total current assets. As at 31 March 2022, the GoFintech Group had bank loans with accrued interest in approximately HK$100,458,000 (2021: approximately HK$161,318,000).

During the 2022 Reporting Year, no financial instruments were used for hedging purposes. As at 31 March 2022, the gearing ratio, measured on the basis of total borrowings as a percentage of equity attributable to owners of GoFintech, was approximately 70.85% (2021: approximately 102.71%). The decrease in ratio was mainly due to the decrease in bank loan payables and corporate bonds during the 2022 Reporting Year. The debt ratio, defined as total debts over total assets, was approximately 59.01% (2021: approximately 66.06%).

During the year ended 31 March 2021, the GoFintech Group issued 1-year corporate bond with face value of HK$10,000,000 to an independent third party, which would be matured in December 2021 and carried a fixed interest rate at 6% per annum with interest payable on the maturity date of the corporate bond (both dates exclusive). The abovementioned corporate bond was early redeemed on 9 April 2021.

***Significant Investment***

As at 31 March 2022, the GoFintech Group held financial assets and financial liabilities at fair value through profit or loss of approximately HK$5,391,000 and approximately HK$nil respectively (2021: approximately HK$101,230,000 and approximately HK$420,000 respectively), with net loss on these financial instruments at approximately HK$3,151,000 (2021: net gain of approximately HK$18,952,000).

As at 31 March 2022, save and except for one investment in Starlight Financial Holdings Limited ("**Starlight**") as contemplated in the sub-paragraph headed "***Investment in Associates***" below, which constituted approximately 17.37% of the total assets of the GoFintech Group as at 31 March 2022, none of each individual underlying investment of the above mentioned investments constitutes 5% or above of the total assets of the GoFintech Group.

***Investment in Associates***

GoFintech has a significant investment in Starlight, an associate of GoFintech. Starlight and its subsidiaries (collectively, the "**Starlight Group**") are principally engaged in the provision of loan financing and advisory services in Hong Kong and Mainland China. In particular, the Starlight Group is able to operate business relating to small and micro enterprise loans and personal consumption loans in Chongqing.

On 22 August 2012, Gold Kingdom Holdings Limited, a wholly-owned subsidiary of GoFintech, acquired 25% equity interests in Starlight at a consideration of approximately HK$64,131,000. The fair value of the investment as at 31 March 2022 was HK$105,046,000, representing approximately 17.37% of GoFintech's total assets as at 31 March 2022.

– *Future Prospects on Investment in Starlight*

The economies of Hong Kong and Mainland China had been severely impacted by the COVID-19 pandemic over the past year, with continued anti-epidemic restrictions and policies contributing to their slow recoveries. The loan financing and advisory services provided by the Starlight Group had also been affected by the COVID-19 pandemic. However, based on performance figures of the Starlight Group for the 2022 Reporting Year, the revenue and profit of the Starlight Group had improved compared to the corresponding period in 2021.

Looking ahead, variants of COVID-19 and uncertain prospects continue to pose a risk to business of the Starlight Group. Nevertheless, the management of the Starlight Group expects to mitigate related impacts in order to bring returns to the shareholders of the Starlight Group by continuing to operate the business with focus and prudence.

GoFintech's investment in the Starlight Group represents a passive and low to mid risk level investment for GoFintech. As at the date of the annual report for the 2022 Reporting Year, GoFintech had no plans to alter the level of its investment in the Starlight Group.

***Investment Products***

GoFintech had and would continue to seek opportunities to make proper use of idle funds within the GoFintech Group and, where appropriate, facilities from bank(s) or other financial institution, to invest on medium or low risk investment products, including but not limited to stocks, bonds, derivatives and structural products.

– *Note Issued by Ease Trade Global Limited*

Reference is made to the announcement dated 18 March 2020 with regards to an acquisition of notes. On 18 March 2020, Marvel Champion Investment Limited, a direct wholly-owned subsidiary of GoFintech, acquired notes issued by Ease Trade Global Limited in the principal amount of USD10,000,000 (equivalent to approximately HK$78,000,000) at a total consideration of approximately USD9,820,000 (equivalent to approximately HK$76,596,000). Ease Trade Global Limited has carried on no business other than entering into arrangements for the issue of the notes and lending of the net proceeds thereof. Ease Trade Global Limited is a direct, wholly-owned subsidiary of Poly Property GoFintech Group Co., Limited (stock code: 0119.HK, guarantor of the notes), which in turn is a subsidiary of China Poly GoFintech Group Corporation Limited (Keepwell Provider of the notes, a central state-owned enterprise under the supervision of State-owned Assets Supervision and Administration Commission of the State Council). The fair value of the investment as at 31 March 2021 was USD10,027,000 (approximately HK$77,670,000, representing about 8.13% of the GoFintech Group's total assets as at 31 March 2021). The interest rate of the bonds was 5.20% per annum. The bonds matured on 10 April 2021. During the 2022 Reporting Year, an amount of USD14,000 (approximately HK$112,000) was recognised as interest income from the investment.

***Material Acquisition and Disposal***

There was no material acquisition or disposal of the GoFintech Group during the 2022 Reporting Year.

***Contingent Liabilities and Charge on the GoFintech Group's assets***

As at 31 March 2022, the GoFintech Group had no material contingent liabilities (2021: nil). As at 31 March 2022, the debt securities of approximately HK$nil and the entire share of a wholly-owned subsidiary of GoFintech, Marvel Champion Investment Limited, have been charged as the secured assets for the banking facilities (2021: the debt securities of approximately HK$77,670,000 and the entire share of a wholly-owned subsidiary of GoFintech, Marvel Champion Investment Limited).

***Risk Management***

The GoFintech Group has properly put in place credit management policies which cover the examination of the approval of client's trading and credit limits, regular review of facilities granted, monitoring of credit exposures and the follow up of credit risks associated with overdue debts. The policies are reviewed and updated regularly.

***Future Plans for Material Investments or Capital Assets and their Expected Sources of Funding***

As at 31 March 2022, there were no plans for material investments or capital assets, but the GoFintech Group may, at any point, be negotiating potential investments. As GoFintech considered that making investments as part of the GoFintech Group's ordinary and usual course of business, management was minded to and might publicly announce these plans as they became necessarily disclosable to the GoFintech Shareholders during the 2022 Reporting Year in accordance with the Listing Rules.

***Foreign Currency Fluctuation***

During the 2022 Reporting Year, the GoFintech Group mainly used HK$ in its business transactions. The GoFintech Board considered that the GoFintech Group's foreign currency exposure was insignificant.

***Human Resources***

As at 31 March 2022, the GoFintech Group had 69 employees in total (2021: 81 employees). The related employees' costs for the 2022 Reporting Year (excluding GoFintech Directors' remunerations) amounted to approximately HK$43,987,000 (2021: approximately HK$74,094,000). The GoFintech Group remunerated employees based on the industry practice and individual's performance. Staff benefits included contributions to retirement benefit scheme, medical allowance and other fringe benefits. In addition, the GoFintech Group maintained the share option scheme for the purpose of providing incentives and rewards to eligible participants based on their contributions.

**FOR THE YEAR ENDED 31 MARCH 2023**

**Business Overview – General**

2022 was a very challenging year in terms of both international geopolitics and global business environment.

The ongoing Russia-Ukraine conflict intensified global geopolitical risks, with tensions causing energy and raw material prices to soar and inflation to rise in Europe and the US. As inflation continued and the US Federal Reserve accelerated the pace of interest rate hikes, high interest rates led to a downturn in global financial markets, declines in major stock markets and a slowdown in global economy. The past year has been very tough and challenging for the Hong Kong capital market due to the impacts of the macro environment and the COVID-19 pandemic. The Hang Seng Index even hit its lowest level in nearly 13 years, falling more than 15% for the year, and the average daily turnover of the Hong Kong securities market fell by more than 25% year-on-year. Hong Kong's initial public offering market was also affected, with a total of 90 new listings in 2022, raising a total of HK$104.6 billion, a significant drop of 68% in capital raised from the previous year.

Despite the challenges during the year, there were a number of encouraging developments towards the end of 2022, such as the gradual reopening of borders between Hong Kong and the Mainland and the gradual resumption of normal flows of people, goods and money, which would accelerate the overall economic recovery.

As science and technology constitute a primary productive force, improving the systems for scientific and technological innovation and accelerating the implementation of the innovation driven development strategy are key initiatives for enhancing core competitiveness. As an international financial centre and financial technology (fintech) hub, Hong Kong has made itself the most desirable centre for fintech development in the world by optimising the infrastructure and regime of its fintech services sector. Furthermore, as part of the Hong Kong government's vigorous effort to support technological innovation, the SFC has recently introduced a new licensing regime for virtual asset service providers, providing an important opportunity for traditional financial service institutions to shift towards financial technology. GoFintech has resolved to leverage the system flexibility, seize the opportunities arising from fintech innovation in China and Hong Kong, and forge ahead with reforms and innovation by introducing strategic investors and reorganising and optimising its management team. Also, GoFintech officially changed its name to "GoFintech Innovation Limited 國富創新有限公司" in the year, so as to reflect its commitment to fintech innovation. Based in Hong Kong, GoFintech is committed to becoming an ideal integrated financial service partner for corporate and individual investors and an innovation-driven one-stop platform offering premium integrated financial services. GoFintech will, while further developing its cross-border financial services, expand fintech innovation business by tapping into the needs of customers and market segments to enrich its business lines and thus enhance its capability to provide comprehensive financial services.

GoFintech will look for more strategic investments to further expand its capital base, and enhance its credit rating in the capital market and its standing in the industry so as to attract outstanding talents for expanding its technological innovation business, keep creating value for GoFintech's shareholders, customers and partners, and have its shares included in the Shenzhen-Hong Kong Stock Connect programme as early as possible. Moreover, increasing capital through issuing new shares can also help GoFintech to avoid missing any major opportunity due to the size of its capital base, and thus is an essential step for GoFintech to achieve its subsequent strategic objectives.

**Business Overview – Segments**

***Securities Brokerage and Margin Financing***

The business of securities brokerage and margin financing is one of the main revenue streams of the GoFintech Group. For the year ended 31 March 2023 (the "**2023 Reporting Year**"), the business of securities brokerage and margin financing recorded a revenue of approximately HK$7,309,000, representing a decrease of approximately 80.36% as compared to the revenue of approximately HK$37,222,000 for the corresponding period in 2022. The net investment gains for the 2023 Reporting Year amounted to approximately HK$22,000 (2022: nil). The segment loss for the 2023 Reporting Year amounted to approximately HK$12,428,000 (2022: approximately HK$476,000), representing an increase in loss of approximately 2,510.92% as compared with the corresponding period in 2022. The GoFintech Group's strategy is to focus and strengthen existing securities operation and work in close collaboration with the GoFintech Group's corporate finance business as well as wealth management business, in order to provide a one-stop integrated financial services to better serve the GoFintech Group's institutional and high net worth individual clients.

***Corporate Financing***

The corporate finance market was under a keen competition during the 2023 Reporting Year. Segment revenue (excluded intersegment income) from corporate finance business decreased by approximately 20.46% from approximately HK$6,844,000 to approximately HK$5,444,000 while the segment profit for the 2023 Reporting Year amounted to approximately HK$14,446,000 (2022: segment loss approximately HK$11,652,000).

***Money Lending***

During the 2023 Reporting Year, the money lending market was under intensive competition locally. The GoFintech Group recorded an interest income from money lending of approximately HK$2,788,000 (2022: approximately HK$8,348,000), representing a decrease of approximately 66.60% as compared with the corresponding period in 2022.

***Consultancy and Insurance Brokerage***

During the 2023 Reporting Year, the GoFintech Group recorded a segment revenue from consultancy services and insurance brokerage services of approximately HK$813,000 (2022: approximately HK$1,242,000), representing a reduction of approximately 34.54% as compared with the corresponding period in 2022.

***Asset Management***

During the 2023 Reporting Year, the GoFintech Group recorded a segment revenue and net investment loss from asset management of approximately HK$10,885,000 (2022: approximately HK$4,583,000), representing an increase in segment revenue of approximately 137.51% as compared with the corresponding period in 2022. The increase in segment revenue was mainly attributable to increase in management fee income generated during the 2023 Reporting Year.

***Equity Investment***

During the 2023 Reporting Year, the GoFintech Group recorded a segment revenue and net investment loss from equity investment of approximately HK$4,500,000 (2022: approximately HK$2,809,000), representing an increase in segment loss of approximately 60.20% as compared with the corresponding period in 2022.

**Financial Review**

***Revenue***

For the 2023 Reporting Year, revenue and net investment losses of the GoFintech Group amounted to approximately HK$22,313,000, representing a decrease of approximately 59.68% from approximately HK$55,336,000 for the 2022 Reporting Year. The decrease was mainly attributable to decrease in income generated from securities brokerage business as reduction in underwriting business and money lending business due to reduction in loan portfolio.

***Loss before Tax and Loss attributable to equity holders of the GoFintech Group***

The GoFintech Group recorded a loss of approximately HK$58,855,000 for the 2023 Reporting Year, as compared with the loss of approximately HK$79,309,000 for the corresponding period in 2022. Net loss attributable to owners of GoFintech amounted to approximately HK$58,855,000 for the 2023 Reporting Year, representing a decrease of approximately 25.79% comparing with the loss of approximately HK$79,309,000 for the corresponding period in 2022. The overall performance of net loss attributable to owners of GoFintech was decreased in the 2023 Reporting Year mainly due to (i) a decrease in operating expenses due to property and equipment being fully impaired as at 31 March 2022; and (ii) a decrease in finance costs due to repayment of bank loan and corporate bonds upon maturity.

***(Losses)/earnings per share***

The basic and diluted loss per share of GoFintech for the 2023 Reporting Year was approximately HK5.58 cents as compared with the basic and diluted loss per share of approximately HK8.66 cents for the corresponding period in 2022.

Basic (losses)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of GoFintech by the weighted average number of ordinary shares outstanding during the financial year. Diluted (losses)/earnings per share adjusts the figures used in the determination of basic (losses)/earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

The calculation of diluted loss per share for the 2023 Reporting Year does not assume the exercise of GoFintech's outstanding convertible bonds which had anti-dilutive effect and would result in a reduction in loss per share. Therefore, the diluted loss per share is the same as the basic loss per share for the year.

***Dividend***

The GoFintech Directors did not recommend the payment of final dividend for the 2023 Reporting Year.

***Capital Risk Management***

The GoFintech Group manages its capital to ensure that entities in the GoFintech Group will be able to continue as a going concern while maximising the return to Shareholders through the optimisation of the debt and equity balances.

The capital structure of the GoFintech Group consists of debt, which includes corporate bonds, lease liabilities, loans, cash and cash equivalents and equity attributable to owners of GoFintech, which comprises issued share capital and reserves.

The GoFintech Directors review the capital structure on a quarterly basis, as part of the regular GoFintech Board meetings, during which the GoFintech Directors review GoFintech's financial performance, assets and liabilities as well as capital structure and funding needs, and make decisions on financing plans of GoFintech. As part of the review, the GoFintech Directors consider the cost of capital and the risks associated with each class of capital, and take appropriate actions to adjust the GoFintech Group's capital structure. The overall strategy of the GoFintech Group remained unchanged during the 2023 Reporting Year and the 2022 Reporting Year.

For certain subsidiaries of the GoFintech Group, they are regulated by the SFC and are required to comply with certain minimum capital requirements according to the rules of the SFC. The GoFintech Group's management monitors, on a daily basis, the subsidiaries' liquid capital level to ensure they meet with the minimum liquid capital requirement in accordance with the Hong Kong Securities and Futures (Financial Resources) Rules. The range of liquid capital is from HK$100,000 to HK$3,000,000 or 5% of their total adjusted liabilities, whichever is higher.

One of the subsidiaries of the GoFintech Group is a licensed insurance intermediary under the Insurance Ordinance (Cap. 41 of the Laws of Hong Kong) and is required to maintain a minimum net asset value of HK$300,000 at all times.

There was no non-compliance of the capital requirements of the GoFintech Group members imposed by the respective regulators during the 2023 Reporting Year and the 2022 Reporting Year.

***Liquidity, financial resources and gearing ratio***

During the 2023 Reporting Year, the GoFintech Group mainly financed its operations by cash generated from operating activities and proceeds from fund raising activities.

As at 31 March 2023, the GoFintech Group's current assets and current liabilities were approximately HK$369,299,000 (2022: approximately HK$492,586,000) and approximately HK$177,169,000 (2022: approximately HK$321,401,000) respectively, while the current ratio was about 2.08 times (2022: 1.53 times).

As at 31 March 2023, the GoFintech Group's aggregate cash and cash equivalents amounted to approximately HK$111,748,000 (2022: approximately HK$190,418,000), of which approximately 82.50% was denominated in HK$ (2022: approximately 57.09%), approximately 11.88% was denominated in USD (2022: approximately 39.90%), approximately 5.50% was denominated in RMB (2022: approximately 3.01%), and approximately 0.12% was denominated in Singapore dollars ("**SGD**") (2022: nil), representing approximately 30.26% (2022: approximately 38.66%) of total current assets. As at 31 March 2023, the GoFintech Group had no bank borrowing (2022: bank loans with accrued interest in approximately HK$100,458,000).

During the 2023 Reporting Year, no financial instruments were used for hedging purposes. As at 31 March 2023, the gearing ratio, measured on the basis of total borrowings as a percentage of equity attributable to owners of GoFintech, was approximately 12.40% (2022: approximately 70.85%). The decrease in ratio was mainly due to repayment of corporate bonds and bank loan. The debt ratio, defined as total debts over total assets, was approximately 37.69% (2022: approximately 59.01%).

During the 2023 Reporting Year and the 2022 Reporting Year, no additional corporate bond was issued.

***Significant Investment***

As at 31 March 2023, the GoFintech Group held financial assets at fair value through profit or loss of approximately HK$71,491,000 (2022: approximately HK$5,391,000), with net loss on these financial instruments at approximately HK$4,630,000 (2022: approximately HK$3,151,000).

As at 31 March 2023, save and except for one investment in Starlight as contemplated in the sub-paragraph headed "***Investment in Associates***" below, which constituted approximately 20.94% of the total assets of the GoFintech Group as at 31 March 2023, none of each individual underlying investment of the above mentioned investments constitutes 5% or above of the total assets of the GoFintech Group.

***Investment in Associates***

GoFintech has a significant investment in Starlight, an associate of GoFintech. The Starlight Group is principally engaged in the provision of loan financing and advisory services in Hong Kong and Mainland China. In particular, the Starlight Group is able to operate business relating to small and micro enterprise loans and personal consumption loans in Chongqing.

On 22 August 2012, Gold Kingdom Holdings Limited, a wholly-owned subsidiary of GoFintech, acquired 25% equity interests in Starlight at a consideration of approximately HK$64,131,000. The fair value of the investment as at 31 March 2023 was HK$99,647,000, representing approximately 20.94% of GoFintech's total assets as at 31 March 2023.

– *Future Prospects on Investment in Starlight*

Over the past year, global financial markets had been sluggish due to a combination of geopolitical tensions and high interest rates. The economies of Hong Kong and Mainland China continued to be negatively impacted by the COVID-19 pandemic, with a notable slowdown. The loan financing and advisory services of the Starlight Group had also been affected.

Looking ahead, with the reopening of borders between Hong Kong and Mainland China, the business environment and market demand are gradually recovering and the economic activities in general are steadily getting back on track. The management of the Starlight Group expects to seize the opportunities and bring returns to the shareholders of the Starlight Group by continuing to operate the existing business with focus and prudence.

GoFintech's investment in the Starlight Group represents a passive and low to mid risk level investment for GoFintech. As at the date of the annual report for the 2023 Reporting Year, GoFintech had no plans to alter the level of its investment in the Starlight Group.

***Material Acquisition and Disposal***

There was no material acquisition or disposal of the GoFintech Group during the 2023 Reporting Year.

***Contingent Liabilities and Charge on the GoFintech Group's assets***

As at 31 March 2023, the GoFintech Group had no material contingent liabilities (2022: nil). As at 31 March 2023, no asset of the GoFintech Group was subject to any charge (2022: nil).

***Risk Management***

The GoFintech Group has properly put in place credit management policies which cover the examination of the approval of client's trading and credit limits, regular review of facilities granted, monitoring of credit exposures and the follow up of credit risks associated with overdue debts. The policies are reviewed and updated regularly.

***Future Plans for Material Investments or Capital Assets and their Expected Sources of Funding***

As at 31 March 2023, there were no plans for material investments or capital assets, but the GoFintech Group may, at any point, be negotiating potential investments. As GoFintech considered that making investments as part of the GoFintech Group's ordinary and usual course of business, management was minded to and may publicly announce these plans as they became necessarily disclosable to the GoFintech Shareholders during the 2023 Reporting Year in accordance with the Listing Rules.

***Foreign Currency Fluctuation***

During the 2023 Reporting Year, the GoFintech Group mainly used HK$ in its business transactions. The GoFintech Board considered that the GoFintech Group's foreign currency exposure was insignificant.

***Human Resources***

As at 31 March 2023, the GoFintech Group had 55 employees in total (2022: 69 employees). The related employees' costs for the 2023 Reporting Year (excluding GoFintech Directors' remunerations) amounted to approximately HK$36,115,000 (2022: approximately HK$43,987,000). The GoFintech Group remunerated employees based on the industry practice and individual's performance. Staff benefits included contributions to retirement benefit scheme, medical allowance and other fringe benefits. In addition, the GoFintech Group maintained the share option scheme for the purpose of providing incentives and rewards to eligible participants based on their contributions.

***Change of Company Name***

On 13 September 2022, the GoFintech Board proposed to change the name of GoFintech from "China Fortune Financial GoFintech Group Limited 中國富強金融集團有限公司" to "GoFintech Innovation Limited 國富創新有限公司" (the "**Change of Company Name**"). The GoFintech Board considered that the Change of Company Name would better reflect the GoFintech Group's direction of future development and provide GoFintech with enhanced corporate image and clearer identity. The Change of Company Name was approved by the GoFintech Shareholders at the extraordinary general meeting held by GoFintech on 14 October 2022. For details, please refer to the announcements of GoFintech dated 13 September 2022 and 14 October 2022 and the circular dated 20 September 2022 relating to the proposed Change of Company Name.

**FOR THE YEAR ENDED 31 MARCH 2024**

**Business Overview – General**

For the year ended 31 March 2024 (the "**2024 Reporting Year**"), the GoFintech Group worked together to actively respond to the grim market environment and the complicated changes in the industry and strived to achieve new breakthroughs and results in the GoFintech Group's pursuit of sustainable and high-quality development. As a result, all the GoFintech Group's business segments advanced steadily, with the GoFintech Group's middle-and back-office support systems further improved and team cohesion and creativity further enhanced, thereby further consolidating the foundation for the long-term development of the GoFintech Group's businesses.

During the past year, the GoFintech Group continued to make steady progress in fully-licensed financial services, with sustained focus on product improvement and service enhancement. The GoFintech Group's business processes is innovated and the GoFintech Group's business models are optimised, and achieved a sustained and steady increase in revenue. During the 2024 Reporting Year, the GoFintech Group's business deployment was further advanced in the field of Web 3.0 by investing heavily in the research and development of technologies in this field and exploring scenario applications in the fintech industry, and commenced out investing and planning activities in relation to cryptocurrencies and compliant virtual asset funds, with an aim to lay a solid foundation for the GoFintech Group's in-depth development in the field of Web 3.0 and overall transformation under the Web 3.0 strategy.

In the field of brokerage services, the GoFintech Group was committed to expanding the GoFintech Group's diversified customer groups, including domestic and overseas institutions, enterprises and high net worth clients. The GoFintech Group continued to develop towards wealth management, diversify the GoFintech Group's products and differentiate the GoFintech Group's services, comprehensively enhance customer service capabilities, improve the GoFintech Group's fundamental trading capabilities and build the GoFintech Group's investment advisory capabilities.

In the field of asset management, the GoFintech Group leveraged its in-depth insight into the opportunities in the capital market, enhanced the GoFintech Group's business development capabilities in the volatile market by continuously enhancing the GoFintech Group's capabilities in asset management, sales and services, product offering, compliance and risk control, so as to optimise asset allocation and improve asset returns.

In the field of investment banking, the GoFintech Group maintained parallel development of equity and debt investment businesses, and continued to vigorously expand the GoFintech Group's M&A and restructuring businesses, sponsor business and underwriting services. During the 2024 Reporting Year, the GoFintech Group provided over 20 corporate customers with investment, financing and other consultancy services. As an underwriter, the GoFintech Group successfully assisted a variety of domestic and overseas companies in fundraising in the stock market and introduced high-quality investors for enterprises. The GoFintech Group ranked among the top in the industry in terms of the number of projects and the amount of funds raised.

In the field of technological innovation investment, the GoFintech Group leveraged on the GoFintech Group's synergy in "investment + investment banking + management" and constantly improved the GoFintech Group's investment capability and knowledge in Web 3.0, quantum technology, blockchain, intelligent investment advisory, clean energy, tech-innovative healthcare, etc. With a focus on such areas, the GoFintech Group carried out in-depth business planning, completed investments in various technology innovation enterprises such as MaiCapital, empowering the invested enterprises by providing all-round support in finance, management and human resources, and at the same time, strengthening synergy with investment banking and other business lines to assist the invested companies in development and capital appreciation.

The GoFintech Group is fully aware of the importance of science and technology innovation to the GoFintech Group's future development. Improving the GoFintech Group's technological innovation system and accelerating the implementation of the innovation-driven development strategy are crucial to strengthen the core competitiveness of the GoFintech Group. As an international financial centre and fintech hub, Hong Kong, with its continuously optimised fintech service hardware and software, is the most ideal fintech development centre globally, and the Hong Kong government is also a strong supporter of technological innovation.

In April 2024, Hong Kong Exchanges and Clearing Limited (HKEX) welcomed the listing of Asia's first spot virtual asset ETFs, and took the lead globally to approve the listing of the first Ether spot ETF, enriching investment opportunities in respect of the product diversity and vitality of new-type assets in Hong Kong. The digital economy brought about by the Web 3.0 era is the most promising investment track in the future. GoFintech will keep up with the times and seize the opportunities, prioritizing the planning and development of business relating to technological innovation, identifying more quality projects and exploring new drivers for the GoFintech Group's business development.

Looking ahead, GoFintech will continue to focus on the core business of sustainable growth, deeply explore and manage customer needs, focus on improving customer value, practise technology-driven financial innovation, improve the comprehensive service level and capabilities of the GoFintech Group's financial business, and advance the GoFintech Group's fully-licensed financial business into a new stage of high-quality development. Meanwhile, the GoFintech Group will also continue to focus on technological innovation, accelerate the conversion of new and existing development drivers, implement strategic adjustments, and focus on core directions of business development. The GoFintech Group will actively embrace the opportunities brought by innovative technologies such as Web 3.0 and quantum computing, continue to explore technology scenario applications in emerging fields and seize investment opportunities in emerging fields.

**Business Overview – Segments**

***Securities Brokerage and Margin Financing***

The business of securities brokerage and margin financing is one of the main revenue streams of the GoFintech Group. During the 2024 Reporting Year, the business of securities brokerage and margin financing recorded revenue (including inter-segment revenue) and net investment losses of net amount of approximately HK$37,051,000, representing an increase of approximately 406.92% as compared to the revenue (including inter-segment revenue) and net investment gains of approximately HK$7,309,000 in total in 2023. The segment profit for the 2024 Reporting Year amounted to approximately HK$8,572,000 (2023: segment loss of approximately HK$12,428,000). The turnaround from segment loss to profit was mainly attributable to the increase of income from securities brokerage business. The GoFintech Group's strategy is to focus on and strengthen existing securities operation and work in close collaboration with the corporate finance business as well as wealth management business, in order to provide one-stop integrated financial services to better serve the institutional and high net worth individual clients.

***Corporate Finance***

The corporate finance market was under keen competition during the 2024 Reporting Year. Segment revenue (excluded intersegment revenue) from corporate finance business decreased by approximately 13.32% from approximately HK$5,444,000 to approximately HK$4,719,000, while the segment loss for the 2024 Reporting Year amounted to approximately HK$2,789,000 (2023: segment profit of approximately HK$14,446,000). By excluding the inter-segment revenue, the segment loss was approximately HK$8,504,000 in 2023.

***Money Lending***

During the 2024 Reporting Year, the money lending market was under intensive competition locally. The GoFintech Group recorded an interest revenue from money lending business of approximately HK$4,542,000 (2023: approximately HK$2,788,000), representing an increase of approximately 62.91% as compared to the corresponding period in 2023. The segment loss for the 2024 Reporting Year amounted to approximately HK$476,000 (2023: approximately HK$3,005,000).

***Consultancy and Insurance Brokerage***

During the 2024 Reporting Year, the GoFintech Group recorded a segment revenue (including inter-segment revenue) from consultancy services and insurance brokerage services of approximately HK$611,000 (2023: approximately HK$813,000), representing a reduction of approximately 24.85% as compared to the corresponding period in 2023. The segment loss for the 2024 Reporting Year was approximately HK$196,000 (2023: approximately HK$67,000)

***Asset Management***

During the 2024 Reporting Year, the GoFintech Group recorded a segment revenue from asset management of approximately HK$4,784,000 (2023: approximately HK$10,885,000), representing a decrease of approximately 56.05% as compared to the corresponding period in 2023. The decrease in segment revenue was mainly attributable to a drop in management fee income generated during the 2024 Reporting Year. The segment loss for the 2024 Reporting Year was approximately HK$1,262,000 (2023: approximately HK$91,000).

***Equity Investment***

During the 2024 Reporting Year, the GoFintech Group recorded a segment revenue and net investment loss from equity investment of net amount of approximately HK$3,453,000 (2023: approximately HK$4,500,000). The segment loss for the 2024 Reporting Year amounted to approximately HK$7,244,000 (2023: approximately HK$5,149,000).

**Financial Review**

***Overall Performance***

The GoFintech Group achieved encouraging operating and financial results during the 2024 Reporting Year with strong revenue growth and significant improvement in profits and losses. The GoFintech Group's business models of client-centered fully-licensed financial services demonstrated strong financial resilience.

During the 2024 Reporting Year, the net amount of total revenue and net losses on investments at fair value through profit or loss increased by 106.05% year-on-year to HK$45.98 million. In particular, the GoFintech Group's securities business maintained strong growth momentum with the net amount of revenue and net losses on investments at fair value through profit or loss surging 406.92% year-on-year to HK$37.05 million. On the other hand, the GoFintech Group had consistently focused on cost reduction and efficiency enhancement, improving operational efficiency and profitability. Despite prioritising the GoFintech Group's investment in the research and development of innovative financial technology, the GoFintech Group were able to significantly narrow the GoFintech Group's net losses by 47.87% to HK$30.68 million compared to the same period last year.

The GoFintech Group has been committed to optimising its balance sheet structure, enhancing capital adequacy and improving asset quality. At the end of the 2024 Reporting Year, the GoFintech Group's total assets reached HK$1,092 million, representing an increase of 129.57% as compared to the end of the previous reporting year. Current assets accounted for 79.12%, reflecting the GoFintech Group's abundant liquidity and healthy asset structure. As at the end of the 2024 Reporting Year, the GoFintech Group's total liabilities amounted to HK$305 million, in which the interest-bearing liabilities amounted to HK$24 million, while the debt ratio, defined as total liabilities over total assets, reduced from 37.69% as at the end of the previous reporting year to 27.96% as at the end of the 2024 Reporting Year. The total equity amounted to HK$787 million as at the end of the 2024 Reporting Year, representing an increase of 165.40% as compared to the end of the previous reporting year. As at 31 March 2024, the GoFintech Group's cash and cash equivalents was HK$289 million, maintaining at a healthy and reasonable level.

***Revenue***

For the 2024 Reporting Year, the GoFintech Group recorded revenue and net losses on investments at fair value through profit or loss in the net amount of approximately HK$45,975,000, representing an increase of approximately 106.05% from approximately HK$22,313,000 for the 2023 Reporting Year. The increase was mainly attributable to the increase in income generated from securities brokerage business as well as interest revenue from money lending business.

***Loss before Tax and Loss attributable to equity holders of the GoFintech Group***

The GoFintech Group recorded a loss of approximately HK$30,679,000 for the 2024 Reporting Year, as compared to the loss of approximately HK$58,855,000 for the corresponding period in 2023.

The overall loss position of the GoFintech Group has improved in the 2024 Reporting Year mainly due to (i) an increase in revenue generated from the licensed businesses of the GoFintech Group; (ii) an increase in other income which was mainly consisted of gain on bargain purchase of an associate and interest revenue from financial institutions; (iii) a decrease in expected credit losses on loan and trade receivables; and (iv) a decrease in both staff costs and finance costs during the 2024 Reporting Year.

***(Losses)/earnings per share***

The basic and diluted loss per share of GoFintech for the 2024 Reporting Year was approximately HK0.91 cent as compared to the basic and diluted loss per share of approximately HK2.84 cents for the corresponding period in 2023.

Basic (losses)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of GoFintech by the weighted average number of ordinary shares outstanding during the financial year. Diluted (losses)/earnings per share adjusts the figures used in the determination of basic (losses)/earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

The calculation of diluted loss per share for the 2024 Reporting Year does not assume the exercise of GoFintech's outstanding convertible bonds which had anti-dilutive effect and would result in a reduction in loss per share. Therefore, the diluted loss per share is the same as the basic loss per share for the year.

***Dividend***

The GoFintech Directors did not recommend the payment of final dividend for the 2024 Reporting Year.

***Capital Risk Management***

The GoFintech Group manages its capital to ensure that entities in the GoFintech Group will be able to continue as a going concern while maximising the return to the GoFintech Shareholders through the optimisation of the debt and equity balances.

The capital structure of the GoFintech Group consists of debt, which includes corporate bonds, lease liabilities, cash and cash equivalents and equity attributable to owners of GoFintech, which comprises issued share capital and reserves.

The GoFintech Directors review the capital structure on a quarterly basis, as part of the regular GoFintech Board meetings, during which the GoFintech Directors review GoFintech's financial performance, assets and liabilities as well as capital structure and funding needs, and make decisions on financing plans of GoFintech. As part of the review, the GoFintech Directors consider the cost of capital and the risks associated with each class of capital, and take appropriate actions to adjust the GoFintech Group's capital structure. The overall strategy of the GoFintech Group remained unchanged during the 2024 Reporting Year and the 2023 Reporting Year.

For certain subsidiaries of GoFintech, they are regulated by the SFC and are required to comply with certain minimum capital requirements according to the rules of the SFC. The management monitors, on a daily basis, the subsidiaries' liquid capital level to ensure they meet with the minimum liquid capital requirement in accordance with the Securities and Futures (Financial Resources) Rules. The range of liquid capital is from HK$100,000 to HK$3,000,000 or 5% of their total adjusted liabilities, whichever is higher.

One of the subsidiaries of GoFintech is a licensed insurance intermediary under the Insurance Ordinance (Cap. 41 of the Laws of Hong Kong) and is required to maintain a minimum net asset value of HK$300,000 for the period from 1 April 2023 to 31 December 2023 and HK$500,000 for the period from 1 January 2024 to 31 March 2024.

There was no non-compliance of the capital requirements of the GoFintech Group members imposed by the respective regulators during the 2024 Reporting Year and the 2023 Reporting Year.

***Liquidity, financial resources and gearing ratio***

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

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

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

During the 2024 Reporting Year, no financial instruments were used for hedging purposes. As at 31 March 2024, the gearing ratio, measured on the basis of total borrowings (including lease liabilities and corporate bonds) as a percentage of equity attributable to owners of GoFintech, was approximately 3.05% (2023: approximately 12.40%). The decrease in ratio was mainly due to repayment of corporate bonds. The debt ratio, defined as total liabilities over total assets, was approximately 27.96% (2023: 37.71%).

During the 2024 Reporting Year and the 2023 Reporting Year, no additional corporate bond was issued.

***Significant Investment***

As at 31 March 2024, the GoFintech Group held investments at fair value through profit or loss of approximately HK$253,273,000 (2023: approximately HK$71,491,000), with net losses on investments at fair value through profit or loss of approximately HK$3,481,000 (2023: approximately HK$4,630,000).

As at 31 March 2024, save and except for one investment in Starlight as contemplated in the sub-paragraph headed "***Investment in Associates***" below, which constituted approximately 8.64% of the total assets of the GoFintech Group as at 31 March 2024, none of each individual underlying investment of the above mentioned investments constitutes 5% or above of the total assets of the GoFintech Group.

***Investment in Associates***

GoFintech has a significant investment in Starlight, an associate of GoFintech. The Starlight Group is principally engaged in the provision of loan financing and advisory services in Hong Kong and Mainland China. In particular, the Starlight Group is able to operate business relating to small and micro enterprise loans and personal consumption loans in Chongqing.

On 22 August 2012, Gold Kingdom Holdings Limited, a wholly-owned subsidiary of GoFintech, acquired 25% equity interests in Starlight at a consideration of approximately HK$64,131,000. The carrying amount of the investment as at 31 March 2024 was approximately HK$94,410,000, representing approximately 8.64% of the GoFintech Group's total assets as at 31 March 2024.

During the 2024 Reporting Year, the revenue and total comprehensive expense attributable to owners of the Starlight Group were approximately HK$41,227,000 (2023: approximately HK$49,483,000) and approximately HK$20,947,000 (2023: approximately HK$21,597,000) respectively. No dividend was received during the 2024 Reporting Year.

The GoFintech Group's investment in the Starlight Group represents a passive and low to medium risk level investment for the GoFintech Group. As at the date of the annual report for the 2024 Reporting Year, the GoFintech Group has no plans to alter the level of its investment in the Starlight Group.

***Material Acquisition and Disposal***

There was no material acquisition or disposal of the GoFintech Group during the 2024 Reporting Year.

***Contingent Liabilities and Charge on the GoFintech Group's assets***

As at 31 March 2024, the GoFintech Group had no material contingent liabilities (2023: nil). As at 31 March 2024, no asset of the GoFintech Group was subject to any charge (2023: nil).

***Risk Management***

The GoFintech Group has properly put in place credit management policies which cover the examination of the approval of client's trading and credit limits, regular review of facilities granted, monitoring of credit exposures and the follow up of credit risks associated with overdue debts. The policies are reviewed and updated regularly.

***Future Plans for Material Investments or Capital Assets and their Expected Sources of Funding***

As at 31 March 2024, there were no plans for material investments or capital assets, but the GoFintech Group may, at any point, be negotiating potential investments. As GoFintech considered that making investments as part of the GoFintech Group's ordinary and usual course of business, management was minded to and may publicly announce these plans as they became necessarily disclosable to the GoFintech Shareholders during the 2024 Reporting Year in accordance with the Listing Rules.

***Foreign Currency Fluctuation***

During the 2024 Reporting Year, the GoFintech Group mainly used HK$ in its business transactions. The GoFintech Board considered that the GoFintech Group's foreign currency exposure was insignificant.

***Human Resources***

As at 31 March 2024, the GoFintech Group had 67 employees in total (2023: 55 employees). The related employees' costs for the Reporting Year (excluding GoFintech Directors' remunerations) amounted to approximately HK$29,997,000 (2023: approximately HK$36,115,000). The GoFintech Group remunerated employees based on the industry practice and individual's performance. Staff benefits included contributions to retirement benefit scheme, medical allowance and other fringe benefits. In addition, the GoFintech Group maintained the share option scheme for the purpose of providing incentives and rewards to eligible participants based on their contributions.

**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024**

**Business Overview – Segments**

***Securities Brokerage and Margin Financing***

During the six months ended 30 September 2024, the business of securities brokerage and margin financing recorded revenue (including inter-segment revenue) and net losses on investments at fair value through profit or loss in a net amount of HK$10,627,000, representing a decrease of 10.55% as compared to revenue and net investment gains of HK$11,881,000 for the corresponding period in 2023.

The segment profit for the six months ended 30 September 2024 amounted to HK$10,255,000, representing an increase of 115.35% as compared to the segment profit amounted to HK$4,762,000 for the corresponding period in 2023. The increase in segment profit was mainly contributed from the increase in interest revenue from financial institutions.

The GoFintech Group's strategy is to focus and strengthen existing securities operation and work in close collaboration with its corporate finance business as well as wealth management business, in order to provide a one-stop integrated financial services to better serve its institutional and high net worth individual clients.

***Corporate Finance***

The corporate finance market was under keen competition during the six months ended 30 September 2024. Segment revenue from corporate finance business decreased by 23.75% from HK$1,701,000 to HK$1,297,000 while the segment loss for the six months ended 30 September 2024 amounted to HK$1,962,000, representing an increase of 21.94% as compared to the segment loss of HK$1,609,000 for the corresponding period in 2023. The increase in segment loss was mainly due to the decrease in service income from corporate finance.

***Money Lending***

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

***Consultancy and Insurance Brokerage***

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

***Asset Management***

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

***Equity Investment***

During the six months ended 30 September 2024, the GoFintech Group recorded a segment revenue and net gains on investments at fair value through profit or loss from equity investment of HK$14,105,000 (six months ended 30 September 2023: segment revenue and net losses on investments at fair value through profit or loss HK$9,661,000), representing an increase of

46.00% as compared to the corresponding period in 2023. The segment profit for the six months ended 30 September 2024 amounted to HK$14,637,000 (six months ended 30 September 2023: segment loss HK$9,977,000).

**Financial Review**

***Revenue***

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

***Loss before Tax and Loss attributable to equity holders of the GoFintech Group***

The GoFintech Group recorded a loss of HK$10,909,000 for the six months ended 30 September 2024, representing a decrease of 37.39% compared to the loss of HK$17,425,000 for the corresponding period in 2023. The improvement in losses for the six months ended 30 September 2024 were mainly due to (i) an increase in revenue and net gains on investments at fair value through profit or loss; and (ii) an increase in net other income mainly consisted of interest revenue from financial institutions as compared to the corresponding period in 2023.

***(Losses)/earnings per share***

The basic and diluted loss per share for the six months ended 30 September 2024 was HK$0.2 cent as compared to the basic and diluted loss per share of HK1.3 cents for the corresponding period in 2023.

***Dividend***

The GoFintech Directors did not recommend the payment of final dividend for the six months ended 30 September 2024.

***Capital Risk Management***

The GoFintech Group manages its capital to ensure that entities of the GoFintech Group will be able to continue as a going concern while maximising the return to the GoFintech Shareholders through the optimisation of the debt and equity balances.

The capital structure of the GoFintech Group consists of debt, which includes corporate bonds, lease liabilities, cash and cash equivalents and equity attributable to owners of GoFintech, which comprises share capital and reserves.

The GoFintech Directors review the capital structure on a quarterly basis, as part of the regular GoFintech Board meetings, during which the GoFintech Directors review GoFintech's financial performance, assets and liabilities as well as capital structure and funding needs, and make decisions on financing plans of GoFintech. As part of the review, the GoFintech Directors consider the cost of capital and the risks associated with each class of capital, and take appropriate actions to adjust the GoFintech Group's capital structure. The overall strategy of the GoFintech Group remained unchanged during the six months ended 30 September 2024 and the 2024 Reporting Year.

For certain subsidiaries of GoFintech, they are regulated by the SFC and are required to comply with certain minimum capital requirements according to the rules of the SFC. GoFintech's management monitors, on a daily basis, the subsidiaries' liquid capital level to ensure they meet the minimum liquid capital requirements in accordance with the Securities and Futures (Financial Resources) Rules. The range of minimum liquid capital is from HK$100,000 to HK$3,000,000 or 5% of their total adjusted liabilities, whichever is higher.

One of the subsidiaries of GoFintech is a licensed insurance intermediary under the Insurance Ordinance (Cap. 41 of the Laws of Hong Kong) and is required to maintain a minimum net asset value of HK$500,000 at all times.

There was no non-compliance of the capital requirements of the GoFintech Group's members imposed by the respective regulators during the six months ended 30 September 2024 and the 2024 Reporting Year.

***Liquidity, financial resources and gearing ratio***

During the six months ended 30 September 2024, the GoFintech Group mainly financed its operations by cash generated from operating activities and proceeds from fund raising activities.

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

As at 30 September 2024, the GoFintech Group's aggregate cash and cash equivalents amounted to HK$121,241,000 (as at 31 March 2024: HK$289,257,000), of which 94.27% was denominated in HK$ (as at 31 March 2024: 98.22%), 2.76% was denominated in USD (as at 31 March 2024: 1.47%), 2.88% was denominated in RMB (as at 31 March 2024: 0.27%), and 0.09% was denominated in SGD (as at 31 March 2024: 0.04%), representing 16.83% (as at 31 March 2024: 33.47%) of total current assets. As at 30 September 2024, no bank loan was borrowed by the GoFintech Group (as at 31 March 2024: nil).

During the six months ended 30 September 2024, no financial instruments were used for hedging purposes. As at 30 September 2024, the gearing ratio, measured on the basis of total borrowings, which include lease liabilities and corporate bonds, as a percentage of equity attributable to owners of GoFintech, was 1.83% (as at 31 March 2024: 3.05%). The decrease of gearing ratio was mainly due to repayment of corporate bonds. As at 30 September 2024, the debt ratio, defined as total liabilities over total assets, was 17.94% (as at 31 March 2024: 27.96%).

No corporate bond was issued during the six months ended 30 September 2024 and the 2024 Reporting Year.

***Significant Investment***

As at 30 September 2024, the GoFintech Group held investments at fair value through profit or loss of HK$441,797,000 (as at 31 March 2024: HK$253,273,000), with net gains on investments at fair value through profit or loss of approximately HK$15,158,000 (six months ended 30 September 2023: net losses of HK$9,661,000).

Save as disclosed below, as at 31 March 2024 and as at 30 September 2024, none of each individual underlying investment of the above mentioned investments constitutes 5% or above of the total assets of the GoFintech Group.

As at 30 September 2024, the GoFintech Group held significant investment in Jinhai Medical Technology Limited ("**Jinhai**"), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 2225) recognised as investment at fair value through profit or loss. The fair value of the investment in Jinhai amounted to approximately HK$155,210,000, which represented approximately 12.22% of the GoFintech Group's total assets as at 30 September 2024. The number of shares in Jinhai held by the GoFintech Group is 25,570,000 shares, representing approximately 1.98% of the entire issued shares of Jinhai. The investment cost of such shares was HK$108,730,000.

As a whole, the GoFintech Group's proprietary investment strategy is executed through its wholly-owned subsidiaries and special purpose vehicles, focusing on direct equity investments and acquisitions. The GoFintech Group's holdings in associates and financial assets have a diversified exposure spanning across different forms of technologically innovative investments, with sector focus on Web 3.0 projects, quantum technology, blockchain, clean energy, tech-innovative healthcare, etc. The investment in Jinhai, which is a company engaging in high-end minimally surgery solution and medical products, aligns with GoFintech's investment strategy to focus on the technological innovative industries.

Jinhai is mainly engaged in (i) the provision of manpower outsourcing and ancillary services to building and construction contractors in Singapore; (ii) the provision of dormitory services, IT services and construction ancillary services (which comprise warehousing services, cleaning services and building maintenance works) in Singapore; and (iii) sales of medical equipment in China. During the six months ended 30 September 2024, the GoFintech Group recognised gain on investments at fair value through profit or loss in the amount of HK$42,805,000 from Jinhai. As the GoFintech Group has been expanding its investment portfolio, it is considered that being a passive financial investor in Jinhai, the GoFintech Group will be able to enjoy the future potential profit through distribution to be made by Jinhai as well as benefit from the capital appreciation of the Jinhai shares from a long-term perspective.

***Investment in Associates***

The GoFintech Group has a significant investment in Starlight, an associate of the GoFintech Group.

The Starlight Group is principally engaged in the provision of loan financing and advisory services in Hong Kong and Mainland China. In particular, the Starlight Group is able to operate business relating to small and micro enterprise loans and personal consumption loans in Chongqing.

On 22 August 2012, Gold Kingdom Holdings Limited, a wholly-owned subsidiary of GoFintech, acquired 25% equity interests in Starlight at a consideration of approximately HK$64,131,000.

The carrying amount of the investment as at 30 September 2024 was HK$98,551,000, representing 7.76% of the GoFintech Group's total assets as at 30 September 2024.

GoFintech's investment in the Starlight Group represents a passive and low to medium risk level investment for GoFintech. As at 30 September 2024, GoFintech had no plans to alter the level of its investment in the Starlight Group.

Save as disclosed above in the section headed "***Significant Investment***" and "***Investment In An Associate***", as at 30 September 2024, the GoFintech Group had no significant investments accounting for more than 5% of the GoFintech Group's total assets.

***Material Acquisition and Disposal***

Save as disclosed in this joint circular, there was no other material acquisition or disposal of the GoFintech Group during the six months ended 30 September 2024.

***Contingent Liabilities and Charge on the GoFintech Group's assets***

As at 30 September 2024, the GoFintech Group had no material contingent liabilities (as at 31 March 2024: nil). As at 30 September 2024, no asset of the GoFintech Group was subject to any charge (as at 31 March 2024: nil).

***Risk Management***

The GoFintech Group has properly put in place credit management policies which cover the examination of the approval of client's trading and credit limits, regular review of facilities granted, monitoring of credit exposures and the follow up of credit risks associated with overdue debts. The policies are reviewed and updated regularly.

***Future Plans for Material Investments or Capital Assets and their Expected Sources of Funding***

As at 30 September 2024, there were no plans for material investments or capital assets, but the GoFintech Group may, at any point, be negotiating potential investments. As GoFintech considered that making investments as part of the GoFintech Group's ordinary and usual course of business, management was minded to and may publicly announce these plans as they became necessarily disclosable to the GoFintech Shareholders during the six months ended 30 September 2024 in accordance with the Listing Rules.

***Foreign Currency Fluctuation***

During the six months ended 30 September 2024, the GoFintech Group mainly used HK$ to carry out its business transactions. The GoFintech Board considered that the GoFintech Group's foreign currency exposure was insignificant.

***Human Resources***

As at 30 September 2024, the GoFintech Group had 60 employees in total (as at 31 March 2024: 67 employees). The related employees' costs for the six months ended 30 September 2024 (excluding GoFintech Directors' remunerations) amounted to HK$31,964,000 (six months ended 30 September 2023: HK$12,851,000). The GoFintech Group remunerated employees based on the industry practice and individual's performance. Staff benefits included contributions to retirement benefit scheme, medical allowance and other fringe benefits. In addition, the GoFintech Group maintained the share option scheme until its termination on 3 June 2024 and maintains the share award scheme for the purpose of providing incentives and rewards to eligible participants based on their contributions.

Upon completion of the Disposal, the Wealthink AI Group will cease to hold any interest in the Target Company and the results of the Target Company will no longer be classified as a subsidiary of the Wealthink AI Group. Following the Disposal, the Remaining Wealthink AI Group will continue to carry out its existing businesses.

The management discussion and analysis of the Remaining Wealthink AI Group for each of the three financial years ended 31 March 2022, 31 March 2023 and 31 March 2024 and the six months ended 30 September 2024 respectively are set out below.

For the purpose of this joint circular and for illustration purpose only, the management discussion and analysis of the Remaining Wealthink AI Group below is made with the exclusion of the Target Company.

## BUSINESS AND FINANCIAL REVIEW

### Segmental information

The Remaining Wealthink AI Group has identified only one operating segment, being investment holding. The Remaining Wealthink AI Group's major sources of revenue currently is interest revenue from bank deposits and financial instruments held. Accordingly, segment disclosures are not presented.

For the year ended 31 March 2022, revenue of the Remaining Wealthink AI Group was approximately HK$93.93 million.

For the year ended 31 March 2023, revenue of the Remaining Wealthink AI Group was approximately HK$192.74 million.

For the year ended 31 March 2024, revenue of the Remaining Wealthink AI Group was approximately HK$308.33 million.

For the six months ended 30 September 2024, revenue of the Remaining Wealthink AI Group was approximately HK$128.90 million.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL COMMITMENTS

As at 31 March 2022, the Remaining Wealthink AI Group had total assets of HK$7,337.47 million, net current assets of HK$362.8 million, and equity attributable to the Remaining Wealthink AI Group's shareholders of HK$5,424.50 million. As at 31 March 2022, current assets and current liabilities of the Remaining Wealthink AI Group were HK$2,267.90 million and HK$1,905.37 million respectively. Accordingly, the Remaining Wealthink AI Group's current ratio was 1.19.

As at 31 March 2023, the Remaining Wealthink AI Group had total assets of HK$11,255.88 million, net current assets of HK$4,280.12 million, and equity attributable to the Remaining Wealthink AI Group's shareholders of HK$9,900.43 million. As at 31 March 2023, current assets and current liabilities of the Remaining Wealthink AI Group were HK$5,627.59 million and HK$1,347.47 million respectively. Accordingly, the Remaining Wealthink AI Group's current ratio was 4.18.

As at 31 March 2024, the Remaining Wealthink AI Group had total assets of HK$11,310.53 million, net current assets of HK$4,687.59 million, and equity attributable to the Remaining Wealthink AI Group's shareholders of HK$9,800.75 million. As at 31 March 2024, current assets and current liabilities of the Remaining Wealthink AI Group were HK$6,191.79 million and HK$1,504.30 million respectively. Accordingly, the Remaining Wealthink AI Group's current ratio was 4.12.

As at 30 September 2024, the Remaining Wealthink AI Group had total assets of HK$10,377.76 million, net current assets of HK$4,519.48 million, and equity attributable to the Remaining Wealthink AI Group's shareholders of HK$9,858.49 million. As at 30 September 2024, current assets and current liabilities of the Remaining Wealthink AI Group were HK$5,032.60 million and HK$513.12 million respectively. Accordingly, the Remaining Wealthink AI Group's current ratio was 9.81.

**GEARING RATIO**

As at 31 March 2022, 31 March 2023, 31 March 2024 and 30 September 2024, the gearing ratio of the Remaining Wealthink AI Group was 0.35%, 0.14%, 0.15% and 0.05% respectively. The gearing ratio was measured by net debt (aggregated borrowings net of bank balances and cash) over the equity attributable to owners of Wealthink AI.

**CONTINGENT LIABILITIES**

As at 31 March 2022, 31 March 2023, 31 March 2024 and 30 September 2024, the Remaining Wealthink AI Group had no significant contingent liabilities.

**CAPITAL STRUCTURE**

As at 31 March 2022, shareholders' equity and the total number of shares in issue of the Remaining Wealthink AI Group were HK$5,424.50 million and 4,061,316,000 respectively.

As at 31 March 2023, shareholders' equity and the total number of shares in issue of the Remaining Wealthink AI Group were HK$9,900.43 million and 10,520,324,525 respectively.

As at 31 March 2024, shareholders' equity and the total number of shares in issue of the Remaining Wealthink AI Group were HK$9,800.75 million and 10,520,324,505 respectively.

As at 30 September 2024, shareholders' equity and the total number of shares in issue of the Remaining Wealthink AI Group were HK$9,858.49 million and 10,520,324,505 respectively.

## MATERIAL ACQUISITIONS AND DISPOSALS

For the year ended 31 March 2022, the Remaining Wealthink AI Group had the following material acquisitions as well as disposals of investments:

| | **New/Additional Investment** *(HK$ million)* | **Divestment/ Disposal** *(HK$ million)* |
|---|---|---|
| Private Equity | 314.67[(1)] | 134.56[(2)] |
| Portfolio Management | | |
| – Listed securities | 52.45[(3)] | 18.55[(4)] |
| – Debt instruments | 595.66 | 953.74 |
| – Funds | 1,567.51[(5)] | 0.11 |
| Trading and others | 31.01 | 23.57 |
| **Total** | 2,561.30 | 1,130.53 |

(1) HK$200.39 million is the Remaining Wealthink AI Group's investment in Jiedaibao Limited during the year ended 31 March 2022, the remaining are investment in new associates and joint venture totaling HK$31.61 million, and other private equity investment totaling HK$82.67 million.

(2) HK$134.56 million represents the Remaining Wealthink AI Group's sale proceeds from the disposal of Xiaoju Kuaizhi Inc. during the year ended 31 March 2022.

(3) HK$52.45 million represents the Remaining Wealthink AI Group's investment in 4 listed securities during the year ended 31 March 2022.

(4) HK$18.55 million represents the Remaining Wealthink AI Group's divestment from 4 listed securities during the year ended 31 March 2022.

(5) Of the HK$1,567.51 million, HK$1.5 billion was invested in Ninth Eternity Asia Fund LP and Ninth Eternity Asia Fund II LP, the remaining HK$67.51 million represents investment in two funds.

For the year ended 31 March 2023, the Remaining Wealthink AI Group had the following material acquisitions as well as disposals of investments:

| | **New/Additional Investment** *(HK$ million)* | **Divestment/ Disposal** *(HK$ million)* |
|---|---|---|
| Private Equity | 679.51[(1)] | 25.94[(6)] |
| Portfolio Management | | |
| – Listed securities | 68.64[(2)] | 139.98[(7)] |
| – Debt instruments | 2,857.75[(3)] | 178.55[(8)] |
| – Others | 1,298.14[(4)] | 45.77[(9)] |
| Trading and others | 4.08[(5)] | 22.63[(10)] |
| **Total** | 4,908.12 | 412.87 |

(1) HK$199 million represents the Remaining Wealthink AI Group's investment in a joint venture during the year ended 31 March 2023, the remaining are investments in other private equity investments totaling HK$480.51 million.

(2) Represents the Remaining Wealthink AI Group's investments in 2 listed securities during the year ended 31 March 2023.

(3) Of the HK$2,857.75 million, HK$975 million was invested in a listed bond, the remaining of HK$1,882.75 million represents investments in 11 unlisted debt investments.

(4) Represents the Remaining Wealthink AI Group's investments in 5 fund investments.

(5) Represents the Remaining Wealthink AI Group's investments in 2 listed securities.

(6) Represents the Remaining Wealthink AI Group's divestment from a private equity investment.

(7) Represents the Remaining Wealthink AI Group's divestments from 5 listed securities during the year ended 31 March 2023.

(8) Represents the Remaining Wealthink AI Group's 3 debt investments during the year ended 31 March 2023.

(9) Represents the Remaining Wealthink AI Group's divestment from a fund investment.

(10) Represents the Remaining Wealthink AI Group's divestments from 12 listed securities.

For the year ended 31 March 2024, the Remaining Wealthink AI Group had the following material acquisitions as well as disposals of investments:

| | **New/Additional Investments** *(HK$ million)* | **Divestment/ Disposal** *(HK$ million)* |
|---|---|---|
| Unlisted equity investments | 1,707.63[(1)] | (156.79)[(5)] |
| Debt investments | 1,471.95[(2)] | (1,054.28)[(6)] |
| Fund investments | 489.00[(3)] | (1,675.29)[(7)] |
| Listed equity investments | 168.90[(4)] | (450.71)[(8)] |
| **Total** | 3,837.48 | (3,337.07) |

(1) Represents the Remaining Wealthink AI Group's investment in 2 private equity investments during the year ended 31 March 2024.

(2) Represents the Remaining Wealthink AI Group's 14 debt investments during the year ended 31 March 2024.

(3) Represents the Remaining Wealthink AI Group's investment in 1 unlisted fund investment during the year ended 31 March 2024.

(4) Represents the Remaining Wealthink AI Group's investments in 9 listed securities during the year ended 31 March 2024.

(5) Represents the Remaining Wealthink AI Group's divestment from 3 private equity investments during the year ended 31 March 2024.

(6) Represents the Remaining Wealthink AI Group's divestment from 6 debt investments during the year ended 31 March 2024.

(7) Represents the Remaining Wealthink AI Group's divestment from 3 unlisted fund investments during the year ended 31 March 2024.

(8) Represents the Remaining Wealthink AI Group's divestment from 6 listed securities during the year ended 31 March 2024.

For the six months ended 30 September 2024, the Remaining Wealthink AI Group had the following material acquisitions as well as disposals of investments:

| | **New/Additional Investments** *(HK$ million)* (Unaudited) | **Divestment/ Disposal** *(HK$ million)* (Unaudited) |
|---|---|---|
| Unlisted equity investments | 270.00[(1)] | (5.77) |
| Debt investments | 165.00[(2)] | (1,128.01)[(5)] |
| Fund investments | 0.59[(3)] | (0.78)[(6)] |
| Listed equity investments | 37.73[(4)] | (119.39)[(7)] |
| **Total** | 473.32 | (1,253.95) |

(1) Represents the Remaining Wealthink AI Group's investment in 1 private equity investment during the six months ended 30 September 2024.

(2) Represents the Remaining Wealthink AI Group's 3 debt investments during the six months ended 30 September 2024.

(3) Represents the Remaining Wealthink AI Group's investment in 1 unlisted fund investment during the six months ended 30 September 2024.

(4) Represents the Remaining Wealthink AI Group's investments in 3 listed securities during the six months ended 30 September 2024.

(5) Represents the Remaining Wealthink AI Group's divestment from 5 debt investments during the six months ended 30 September 2024.

(6) Represents the Remaining Wealthink AI Group's divestment from 1 unlisted fund investment during the six months ended 30 September 2024.

(7) Represents the Remaining Wealthink AI Group's divestment from 3 listed securities during the six months ended 30 September 2024.

## FOREIGN CURRENCY MANAGEMENT

The monetary assets and liabilities as well as business transactions of the Remaining Wealthink AI Group are mainly denominated in RMB.

For the three financial years ended 31 March 2022, 31 March 2023 and 31 March 2024 and the six months ended 30 September 2024, the Remaining Wealthink AI Group did not have a foreign currency hedging policy. However, management of the Remaining Wealthink AI Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

## EMPLOYMENT AND REMUNERATION POLICY

Employees' remuneration is determined based on the employees' skill, knowledge and involvement in Wealthink AI's affairs and determined by reference to Wealthink AI's performance, as well as remuneration benchmark in the industry and the prevailing market conditions.

The share option scheme of Wealthink AI was established for the eligible participants (including, among others, directors, employees and consultants). No share options were granted during the three financial years ended 31 March 2022, 31 March 2023 and 31 March 2024 and the six months ended 30 September 2024.

The Remaining Wealthink AI Group had 32, 33, 32 and 30 employees as at 31 March 2022, 31 March 2023, 31 March 2024 and 30 September 2024.

As at 31 March 2022, 31 March 2023, 31 March 2024 and 30 September 2024, the staff costs (including directors' emoluments) of the Remaining Wealthink AI Group amounted to approximately HK$19.31 million, HK$17.03 million, HK$16.10 million and HK$8.41 million respectively.

## SIGNIFICANT INVESTMENTS

For the three financial years ended 31 March 2022, 31 March 2023 and 31 March 2024 and the six months ended 30 September 2024, the details of Remaining Wealthink AI Group's significant investments. Please refer to paragraphs under subsections headed ''Material Acquisition and Disposals''.

## MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in the annual reports of Wealthink AI for the three financial years ended 31 March 2022, 31 March 2023 and 31 March 2024 and the interim report of Wealthink AI for the six months ended 30 September 2024, the Remaining Wealthink AI Group had not held any other significant investments nor made any material acquisitions or disposals of subsidiaries or associated companies.

## PLEDGE ON ASSETS

As at 31 March 2022, save as certain listed securities of the Remaining Wealthink AI Group being used to secure the Remaining Wealthink AI Group's margin securities trading and part of bank time deposit are pledged for the Remaining Wealthink AI Group's bank loan, there were no charges on Remaining Wealthink AI Group's assets.

As at 31 March 2023, save as certain listed securities of the Remaining Wealthink AI Group being used to secure the Remaining Wealthink AI Group's margin securities trading and debt investment are pledged for the Remaining Wealthink AI Group's bank loans, these were no charge on Remaining Wealthink AI Group's assets.

As at 31 March 2024, save as certain investments at fair value through profit or loss and debt investment are pledged for the Remaining Wealthink AI Group's bank loans, these were no charge on the Remaining Wealthink AI Group's assets.

As at 30 September 2024, the Remaining Wealthink AI Group did not have any pledged assets.

**OUTLOOK AND FUTURE PLAN**

There were no plans for material investments or capital assets, but the Remaining Wealthink AI Group may, at any point, be negotiating potential investments. The Remaining Wealthink AI Group considers new investments as part of its daily business, and therefore management of the Remaining Wealthink AI Group may publicly announce these plans as they become necessarily disclosable to shareholders during the course of the financial year.

## (A) INTRODUCTION TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GOFINTECH GROUP

The accompanying unaudited pro forma financial information of the Enlarged GoFintech Group has been prepared to illustrate the effect of the proposed acquisition of the 22.50% equity interest in CSOP Asset Management Limited (the "**Acquisition**") might have affected the financial information of the GoFintech Group.

The unaudited pro forma consolidated statement of profit or loss and other comprehensive income and statement of cash flows of the Enlarged GoFintech Group for the year ended 31 March 2024 are prepared based on the audited consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the GoFintech Group for the year ended 31 March 2024 as extracted from the annual report of GoFintech for the year ended 31 March 2024 as if the Acquisition had been completed on 1 April 2023.

The unaudited pro forma consolidated statement of financial position of the Enlarged GoFintech Group as at 30 September 2024 is prepared based on the unaudited condensed consolidated statement of financial position of the GoFintech Group as at 30 September 2024 as extracted from the interim report of GoFintech for the six months ended 30 September 2024 as if the Acquisition had been completed on 30 September 2024.

The unaudited pro forma financial information of the Enlarged GoFintech Group is prepared based on a number of assumptions, estimates, uncertainties and currently available information, and is provided for illustrative purposes only. Accordingly, as a result of the nature of the unaudited pro forma financial information of the Enlarged GoFintech Group, it may not give a true picture of the actual financial position, results of operation or cash flows of the Enlarged GoFintech Group that would have been attained had the Acquisition actually occurred on the dates indicated herein. Furthermore, the unaudited pro forma financial information of the Enlarged GoFintech Group does not purport to predict the GoFintech Group's future financial position, results of operation or cash flows.

The unaudited pro forma financial information of the Enlarged GoFintech Group should be read in conjunction with the financial information of the GoFintech Group as set out in Appendix I of the Joint Circular and other financial information included elsewhere in the Joint Circular.

## (B) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GOFINTECH GROUP AS AT 30 SEPTEMBER 2024

| | Unaudited consolidated statement of financial position of the GoFintech Group as at 30 September 2024 | Pro forma adjustments | | | Unaudited pro forma Consolidated statement of financial position of the GoFintech Group as at 30 September 2024 |
|---|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| | *(Note 1)* | *(Note 2)* | *(Note 3)* | *(Note 4)* | |
| **Non-current assets** | | | | | |
| Property and equipment and right-of-use assets | 15,723 | | | | 15,723 |
| Intangible assets | 36,072 | | | | 36,072 |
| Interests in associates | 113,617 | 1,138,101 | 4,220 | (32,321) | 1,223,617 |
| Investments at fair value through profit or loss | 257,649 | | | | 257,649 |
| Prepaid considerations for investments | 118,471 | | | | 118,471 |
| Other non-current assets | 7,566 | | | | 7,566 |
| | 549,098 | 1,138,101 | 4,220 | (32,321) | 1,659,098 |
| **Current assets** | | | | | |
| Investments at fair value through profit or loss | 184,148 | | | | 184,148 |
| Loan and trade receivables | 175,784 | | | | 175,784 |
| Contract assets | 17 | | | | 17 |
| Other receivables, deposits and prepayments | 34,999 | | | | 34,999 |
| Bank balances and cash – trust | 204,348 | | | | 204,348 |
| Bank balances and cash – general | 121,241 | | (4,220) | | 117,021 |
| | 720,537 | – | (4,220) | – | 716,317 |

| | Unaudited consolidated statement of financial position of the GoFintech Group as at 30 September 2024 | Pro forma adjustments | | | Unaudited pro forma Consolidated statement of financial position of the GoFintech Group as at 30 September 2024 |
|---|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| | *(Note 1)* | *(Note 2)* | *(Note 3)* | *(Note 4)* | |
| **Current liabilities** | | | | | |
| Trade payables | 204,723 | | | | 204,723 |
| Other payables and accruals | 3,209 | | | | 3,209 |
| Lease liabilities | 8,118 | | | | 8,118 |
| Current tax liabilities | 801 | | | | 801 |
| | 216,851 | – | – | – | 216,851 |
| **Net current assets** | 503,686 | – | (4,220) | – | 499,466 |
| **Total assets less current liabilities** | 1,052,784 | 1,138,101 | – | (32,321) | 2,158,564 |
| **Non-current liabilities** | | | | | |
| Lease liabilities | 10,897 | | | | 10,897 |
| | 10,897 | – | – | – | 10,897 |
| Net assets | 1,041,887 | 1,138,101 | – | (32,321) | 2,147,667 |
| **Capital and reserves** | | | | | |
| Share capital | 711,842 | 140,506 | | | 852,348 |
| Reserves | 330,045 | 997,595 | | (32,321) | 1,295,319 |
| **Total equity** | 1,041,887 | 1,138,101 | – | (32,321) | 2,147,667 |

## (C) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE GOFINTECH GROUP FOR THE YEAR ENDED 31 MARCH 2024

| | **Consolidated statement of profit or loss and other comprehensive income of the GoFintech Group for the year ended 31 March 2024** *HK$'000 (Note 1)* | **Pro forma adjustments** *HK$'000 (Note 5)* | **Unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the GoFintech Group for the year ended 31 March 2024** *HK$'000* |
|---|---|---|---|
| **Revenue** | 49,456 | | 49,456 |
| Net losses on investments at fair value through profit or loss ("**FVTPL**") | (3,481) | | (3,481) |
| Cost of brokerage and other services | (20,719) | | (20,719) |
| Other income, net | 17,672 | | 17,672 |
| Expected credit losses ("**ECL**") on loan and trade receivables | (6,034) | | (6,034) |
| Impairment loss of right-of-use assets | (6,140) | | (6,140) |
| Staff costs | (35,734) | | (35,734) |
| Other operating expenses | (21,169) | | (21,169) |
| Finance costs | (2,002) | | (2,002) |
| Share of (losses)/profits of associates | (2,483) | 63,367 | 60,884 |
| **(Loss)/profit before tax** | (30,634) | 63,367 | 32,733 |
| Income tax expense | (45) | | (45) |
| (Loss)/profit for the year | (30,679) | 63,367 | 32,688 |
| **Other comprehensive expense:** | | | |
| *Items that may be reclassified subsequently to profit or loss:* | | | |
| Exchange differences arising on translation of foreign operations | (1,934) | | (1,934) |
| Share of other comprehensive expense of associates | (4,506) | (50) | (4,556) |
| **Other comprehensive expense for the year, net of tax** | (6,440) | (50) | (6,490) |
| **Total comprehensive (expense)/income for the year** | (37,119) | 63,317 | 26,198 |

## (D) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE GOFINTECH GROUP FOR THE YEAR ENDED 31 MARCH 2024

| | Consolidated statement of cash flows of the GoFintech Group for the year ended 31 March 2024 | Pro forma adjustments | | Unaudited pro forma consolidated statement of cash flows of the GoFintech Group year ended 31 March 2024 |
|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| | *(Note 1)* | *(Note 3)* | *(Note 5)* | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Loss before tax | (30,634) | | 63,367 | 32,733 |
| Adjustments for: | | | | |
| Impairment loss of right-of-use assets | 6,140 | | | 6,140 |
| Gain on bargain purchase of an associate | (9,676) | | | (9,676) |
| Depreciation | 1,888 | | | 1,888 |
| Finance costs | 2,002 | | | 2,002 |
| Interest revenue | (13,293) | | | (13,293) |
| ECL on loan and trade receivables, net | 6,034 | | | 6,034 |
| Net losses on investments at FVTPL | 3,481 | | | 3,481 |
| Share of losses/(profits) of associates | 2,483 | | (63,367) | (60,884) |
| Equity-settled share-based payments | 306 | | | 306 |
| **Operating loss before working capital changes** | (31,269) | – | – | (31,269) |
| Change in trade and other receivables | (89,425) | | | (89,425) |
| Change in bank balances and cash – trust | (139,836) | | | (139,836) |
| Change in trade payables, other payables and accruals | 138,848 | | | 138,848 |
| Cash used in operations | (121,682) | – | – | (121,682) |
| Income tax paid | (36) | | | (36) |
| **NET CASH USED IN OPERATING ACTIVITIES** | (121,718) | – | – | (121,718) |

| | Consolidated statement of cash flows of the GoFintech Group for the year ended 31 March 2024 | Pro forma adjustments | | Unaudited pro forma consolidated statement of cash flows of the GoFintech Group year ended 31 March 2024 |
|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| | *(Note 1)* | *(Note 3)* | *(Note 5)* | |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Interest received | 7,259 | | | 7,259 |
| Acquisition of associates | (10,564) | | | (10,564) |
| Transaction cost on the Acquisition | – | (4,220) | | (4,220) |
| Proceeds from disposal of investments at FVTPL | 4,319 | | | 4,319 |
| Purchases of investments at FVTPL | (189,582) | | | (189,582) |
| **NET CASH USED IN INVESTING ACTIVITIES** | (188,568) | (4,220) | – | (192,788) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | |
| Repayment of corporate bonds | (28,100) | | | (28,100) |
| Repayment of lease liabilities | (6,319) | | | (6,319) |
| Proceeds from issue of shares | 527,187 | | | 527,187 |
| Interests paid | (3,039) | | | (3,039) |
| **NET CASH GENERATED FROM FINANCING ACTIVITIES** | 489,729 | – | – | 489,729 |
| **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS** | 179,443 | (4,220) | – | 175,223 |
| Effect of foreign currency translation | (1,934) | | | (1,934) |
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR** | 111,748 | | | 111,748 |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR,** represented by bank balances and cash – general | 289,257 | (4,220) | – | 285,037 |

## (E) NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

(1) The condensed consolidated statement of financial position of the GoFintech Group as at 30 September 2024 is extracted without adjustment from the interim report of GoFintech for the six months ended 30 September 2024.

The consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flows of the GoFintech Group for the year ended 31 March 2024 are extracted without adjustment from the annual report of GoFintech for the year ended 31 March 2024.

(2) The adjustment represents the Acquisition of 22.50% of the entire issued capital of the Target Company (the "**Equity Interest**") amounting to HK$1,138,101,000, which is satisfied by issuance of 1,405,063,292 Consideration Shares at the market price of HK$0.81. The market price represented the closing price at 30 September 2024. The directors of GoFintech consider the closing price at 30 September 2024 is more appropriate to illustrate the effect of the Acquisition. The aggregate nominal value of share capital for the Consideration Shares is approximately HK$140,506,000.

The Equity Interest will be classified as interest in an associate.

(3) The amount represents estimated transaction costs directly attributable to the Acquisition, such as fee incurred for legal and professional service and Hong Kong Tax, amounting to approximately HK$4,220,000 and assumed to be fully settled by cash on 30 September 2024 and 1 April 2023.

This pro forma adjustment is not expected to have a continuing effect.

(4) According to the GoFintech Group's accounting policy, the carrying amount of the interest in an associate is tested for impairment at the end of each reporting period when there is objective evidence that the associate is impaired. If the recoverable amount of an associate is estimated to be less than its carrying amount, the carrying amount of the interest in an associate is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

In the opinion of the directors of GoFintech, impairment loss on interest in an associate of approximately HK$32,321,000 should be recognised in the Unaudited Pro Forma Financial Information as the recoverable amount of the associate is estimated to be less than its carrying amount. The carrying amount of the interest in the associate is approximately HK$1,142,321,000. The recoverable amount of the interest in the associate is approximately HK$1,110,000,000 which is reference to the valuation report prepared by an independent professional valuer. Hence, impairment loss on interest in an associate of approximately HK$32,321,000 is recognised.

(5) The adjustment reflects the inclusion of share of profits and other comprehensive income resulting from the transfer of the Target Shares as if the Acquisition had been completed on 1 April 2023.

If the Acquisition had been completed on 1 April 2023, the GoFintech Group is beneficially interested in 60,000,000 Target Shares, representing approximately 22.50% of the entire issued share of the Target Company. For the purpose of the Unaudited Pro Forma Financial Information and for illustrative purpose only, the GoFintech Group shares 22.50% Target Group's profits of approximately HK$63,367,000 and other comprehensive expenses of approximately HK$50,000 if the Acquisition had been completed on 1 April 2023.

This pro forma adjustment is expected to have a continuing effect.

## ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GOFINTECH GROUP

*The following is the text of a report, prepared for the sole purpose of inclusion in this joint circular, from the independent reporting accountant, ZHONGHUI ANDA CPA Limited, Certified Public Accountants, Hong Kong.*




25 June 2025

The Board of Directors
GoFintech Quantum Innovation Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of GoFintech Quantum Innovation Limited ("**GoFintech**") and its subsidiaries (hereinafter collectively referred to as the "**GoFintech Group**") by the directors of GoFintech for illustrative purposes only. The unaudited pro forma financial information of the Enlarged GoFintech Group consists of the unaudited pro forma condensed consolidated statement of financial position as at 30 September 2024, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2024, the unaudited pro forma consolidated statement of cash flows for the year ended 31 March 2024 and related notes (the "**Unaudited Pro Forma Financial Information of the Enlarged GoFintech Group**") as set out on pages VIII-2 to VIII-8 of the joint circular issued by the GoFintech and Wealthink AI-Innovation Capital Limited dated 25 June 2025 (the "**Joint Circular**"). The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information of the Enlarged GoFintech Group are described on pages VIII-2 to VIII-8 of the Joint Circular.

The Unaudited Pro Forma Financial Information of the Enlarged GoFintech Group has been compiled by the directors to illustrate the impact of the proposed acquisition of the 22.50% equity interest in CSOP Asset Management Limited on the GoFintech Group's financial position as at 30 September 2024 as if the transaction had been taken place at 30 September 2024, and on the GoFintech Group's financial performance and cash flows for the year ended 31 March 2024 as if the transaction had been taken place at 1 April 2023. As part of this process, information about the GoFintech Group's financial position as at 30 September 2024 has been extracted by the directors from the GoFintech Group's condensed consolidated financial statements as included in the interim report for the six months ended 30 September 2024, on which review report has been published. Information about the GoFintech Group's financial performance and cash flows for the year ended 31 March 2024 has been extracted by the directors from the GoFintech Group's consolidated financial statements as included in the annual report for the year ended 31 March 2024, on which an audit report has been published.

**Directors' Responsibility for the Unaudited Pro Forma Financial Information of the Enlarged GoFintech Group**

The directors are responsible for compiling the Unaudited Pro Forma Financial Information of the Enlarged GoFintech Group in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline ("**AG**") 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" 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 requirements 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.

The firm applies Hong Kong Standard on Quality Management 1, 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 Accountant's Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the Unaudited Pro Forma Financial Information of the Enlarged GoFintech Group 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 of the Enlarged GoFintech Group 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 accountant plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information of the Enlarged GoFintech Group in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" 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 of the Enlarged GoFintech Group, 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 of the Enlarged GoFintech Group.

The purpose of Unaudited Pro Forma Financial Information of the Enlarged GoFintech Group included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the GoFintech Group as if the event 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 event or transaction at 1 April 2023 and 30 September 2024 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information of the Enlarged GoFintech Group 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 of the Enlarged GoFintech Group 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 pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information of the Enlarged GoFintech Group reflects the proper application of those adjustments to the unadjusted financial information.

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

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

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 of the Enlarged GoFintech Group has been properly compiled on the basis stated;

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

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information of the Enlarged GoFintech Group as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

**ZHONGHUI ANDA CPA Limited**
*Certified Public Accountants*
**Yeung Hong Chun**
Practising Certificate Number P07374
Hong Kong, 25 June 2025

## (A) INTRODUCTION TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING WEALTHINK AI GROUP

The accompanying unaudited pro forma financial information of the Remaining Wealthink AI Group has been prepared to illustrate the effect of the proposed disposal of the 22.50% equity interest in CSOP Asset Management Limited (the "**Disposal**") might have affected the financial information of the Wealthink AI Group.

The unaudited pro forma consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Remaining Wealthink AI Group for the year ended 31 March 2024 are prepared based on the audited consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Wealthink AI Group for the year ended 31 March 2024 as extracted from the annual report of Wealthink AI for the year ended 31 March 2024 as if the Disposal had been completed on 1 April 2023.

The unaudited pro forma consolidated statement of financial position of the Remaining Wealthink AI Group as at 30 September 2024 is prepared based on the unaudited condensed consolidated statement of financial position of the Wealthink AI Group as at 30 September 2024 as extracted from the interim report of Wealthink AI for the six months ended 30 September 2024 as if the Disposal had been completed on 30 September 2024.

The unaudited pro forma financial information of the Remaining Wealthink AI Group is prepared based on a number of assumptions, estimates, uncertainties and currently available information, and is provided for illustrative purposes only. Accordingly, as a result of the nature of the unaudited pro forma financial information of the Remaining Wealthink AI Group, it may not give a true picture of the actual financial position, results of operation or cash flows of the Remaining Wealthink AI Group that would have been attained had the Disposal actually occurred on the dates indicated herein. Furthermore, the unaudited pro forma financial information of the Remaining Wealthink AI Group does not purport to predict the Remaining Wealthink AI Group's future financial position, results of operation or cash flows.

The unaudited pro forma financial information of the Remaining Wealthink AI Group should be read in conjunction with the financial information of the Wealthink AI Group as set out in Appendix II of the Joint Circular and other financial information included elsewhere in the Joint Circular.

## (B) UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE REMAINING WEALTHINK AI GROUP

| | Unaudited condensed Consolidated statement of financial position of the Wealthink AI Group as at 30 September 2024 *HK$'000 (Note 1)* | Pro forma adjustments *HK$'000 (Note 2)* | Unaudited pro forma Condensed Consolidated statement of financial position of the Wealthink AI Group as at 30 September 2024 *HK$'000* |
|---|---|---|---|
| **Non-current assets** | | | |
| Equipment | 3,498 | | 3,498 |
| Right-of-use assets | 10,806 | | 10,806 |
| Investments in associates and joint ventures | 670,311 | (151,002) | 519,309 |
| Investments at fair value through profit or loss | 4,340,538 | | 4,340,538 |
| Debt investments | 117,656 | | 117,656 |
| | 5,142,809 | (151,002) | 4,991,807 |
| **Current assets** | | | |
| Investments at fair value through profit or loss | 2,056,855 | 1,138,101 | 3,194,956 |
| Debt investments | 2,669,501 | | 2,669,501 |
| Digital assets | 136 | | 136 |
| Accounts receivables | 28,119 | | 28,119 |
| Interest receivables | 184,018 | | 184,018 |
| Prepayments, deposits and other receivables | 6,611 | | 6,611 |
| Bank and cash balances | 87,361 | (2,690) | 84,671 |
| | 5,032,601 | 1,135,411 | 6,168,012 |
| Non-current assets held for sale | 353,348 | | 353,348 |
| **Current liabilities** | | | |
| Accounts payables | 50 | | 50 |
| Other payables | 38,861 | | 38,861 |
| Financial liabilities at fair value through profit or loss | 1,164 | | 1,164 |
| Borrowings | 446,954 | | 446,954 |
| Lease liabilities | 7,316 | | 7,316 |
| Current tax liabilities | 18,774 | | 18,774 |
| | 513,119 | – | 513,119 |
| **Net current assets** | 4,872,830 | 1,135,411 | 6,010,461 |
| **Total assets less current liabilities** | 10,015,639 | 984,409 | 11,000,048 |
| **Non-current liabilities** | | | |
| Financial liabilities at fair value through profit or loss | 1,563 | | 1,563 |
| Lease liabilities | 4,580 | | 4,580 |
| | 6,143 | – | 6,143 |
| **Net assets** | 10,009,496 | 984,409 | 10,993,905 |
| **Equity** | | | |
| Share capital | 1,052,032 | | 1,052,032 |
| Reserves | 8,957,464 | 984,409 | 9,941,873 |
| **Total equity** | 10,009,496 | 984,409 | 10,993,905 |

## (C) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE REMAINING WEALTHINK AI GROUP

| | Consolidated statement of profit or loss and other comprehensive income of the Wealthink AI Group for the year ended 31 March 2024 | | Pro forma adjustments | | Unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Wealthink AI Group for the year ended 31 March 2024 |
|---|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| | *(Note 1)* | *(Note 3)* | *(Note 4)* | *(Note 5)* | |
| **Revenue** | 308,329 | | | | 308,329 |
| Other income and gains, net | 77,664 | | | | 77,664 |
| Net change in unrealised (loss)/gain on investments at fair value through profit or loss arising from | | | | | |
| – listed investments | 3,771 | | | 524,089 | 527,860 |
| – unlisted investments | (42,572) | | | | (42,572) |
| | (38,801) | | | | 485,288 |
| Net realised loss on disposal of investments arising from | | | | | |
| – listed investments | (14,247) | | | | (14,247) |
| – unlisted investments | (27,671) | | | | (27,671) |
| | (41,918) | | | | (41,918) |
| Net change in unrealised gain on financial liabilities at fair value through profit or loss | 692 | | | | 692 |
| Provision for expected credit losses | (3,956) | | | | (3,956) |
| Operating and administrative expenses | (61,939) | | | | (61,939) |
| **Operating profit** | 240,071 | – | – | 524,089 | 764,160 |
| Finance costs | (86,366) | | | | (86,366) |
| Gain on disposal of an associate | – | | 51,037 | | 51,037 |
| Share of losses of associates and joint ventures | (99,097) | (63,367) | | | (162,464) |
| **Profit before tax** | 54,608 | (63,367) | 51,037 | 524,089 | 566,367 |
| Income tax expense | (955) | | | | (955) |
| **Profit for the year attributable to owners of the Company** | 53,653 | (63,367) | 51,037 | 524,089 | 565,412 |
| **Other comprehensive (expense)/income:** | | | | | |
| *Items that may be reclassified to profit or loss:* | | | | | |
| Exchange differences on translating foreign operations | (183,677) | | | | (183,677) |
| Realisation of foreign currency translation reserve from disposal of subsidiaries | 31,939 | | | | 31,939 |
| Realisation of foreign currency translation reserve from disposal of an associate | – | | 340 | | 340 |
| Share of associate's | | | | | |
| – Exchange differences on translating foreign operations | (50) | 50 | | | – |
| **Other comprehensive expense for the year, net of income tax** | (151,788) | 50 | 340 | – | (151,398) |
| **Total comprehensive (expense)/income for the year attributable to owners of the Company** | (98,135) | (63,317) | 51,377 | 524,089 | 414,014 |

## (D) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE REMAINING WEALTHINK AI GROUP

| | Consolidated statement of cash flows of the Wealthink AI Group for the year ended 31 March 2024 | Pro forma adjustments | | | | Unaudited pro forma consolidated statement of cash flows of the Wealthink AI Group year ended 31 March 2024 |
|---|---|---|---|---|---|---|
| | *HK$'000* (Note 1) | *HK$'000* (Note 3) | *HK$'000* (Note 4) | *HK$'000* (Note 5) | *HK$'000* (Note 6) | *HK$'000* |
| **Cash flows from operating activities** | | | | | | |
| Profit before tax | 54,608 | (63,367) | 51,037 | 524,089 | | 566,367 |
| Adjustments for: | | | | | | |
| Interest revenue | (308,329) | | | | | (308,329) |
| Finance costs | 86,366 | | | | | 86,366 |
| Net foreign exchange losses | 146 | | | | | 146 |
| Depreciation | 9,281 | | | | | 9,281 |
| Net gain on disposal of subsidiaries | (84,308) | | | | | (84,308) |
| Net realised loss on disposal of investments | 41,918 | | | | | 41,918 |
| Net change in unrealised loss on investments at fair value through profit or loss | 38,801 | | | (524,089) | | (485,288) |
| Net change in unrealised gain on financial liabilities at fair value through profit or loss | (692) | | | | | (692) |
| Provision for expected credit losses | 3,956 | | | | | 3,956 |
| Gain on disposal of an associate | – | | (51,037) | | | (51,037) |
| Share of losses of associates and joint ventures | 99,097 | 63,367 | | | | 162,464 |
| Impairment loss of goodwill arising from investment in an associate | 6,214 | | | | | 6,214 |
| Impairment loss of intangible assets | 711 | | | | | 711 |
| **Operating loss before changes in working capital** | (52,231) | – | – | – | – | (52,231) |
| Change in accounts and loans receivables | 2,048 | | | | | 2,048 |
| Change in prepayments, deposits and other receivables | 439 | | | | | 439 |
| Change in accounts and other payables | 2,738 | | | | | 2,738 |
| **Net cash used in operating activities** | (47,006) | – | – | – | – | (47,006) |

| | Consolidated statement of cash flows of the Wealthink AI Group for the year ended 31 March 2024 | Pro forma adjustments | | | | Unaudited pro forma consolidated statement of cash flows of the Wealthink AI Group year ended 31 March 2024 |
|---|---|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| | *(Note 1)* | *(Note 3)* | *(Note 4)* | *(Note 5)* | *(Note 6)* | |
| **Cash flows from investing activities** | | | | | | |
| Purchase of investments at fair value through profit or loss | (659,780) | | | | | (659,780) |
| Subscription of debt investments | (1,412,364) | | | | | (1,412,364) |
| Purchases of equipment | (2,476) | | | | | (2,476) |
| Net proceeds on disposal of listed securities | 54,817 | | | | | 54,817 |
| Proceeds on settlement of debt investments | 1,044,761 | | | | | 1,044,761 |
| Disposal and distribution from unlisted equity investments | 90,572 | | | | | 90,572 |
| Interest received | 160,959 | | | | | 160,959 |
| Dividends received | 46,918 | | | | | 46,918 |
| Distribution and redemption of unlisted investment funds | 2,126 | | | | | 2,126 |
| Acquisition of an associate/a joint venture | (900) | | | | | (900) |
| Transaction cost on the Disposal | – | | | | (2,690) | (2,690) |
| Proceeds received from disposal of subsidiaries | 16,248 | | | | | 16,248 |
| Payment to investment partners | (219) | | | | | (219) |
| Repayment from an associate | 415 | | | | | 415 |
| **Net cash used in investing activities** | (658,923) | – | – | – | (2,690) | (661,613) |
| **Cash flows from financing activities** | | | | | | |
| Repayment of borrowings | (1,066,843) | | | | | (1,066,843) |
| Drawdown of borrowings | 1,781,492 | | | | | 1,781,492 |
| Payment for principal portion of lease liabilities | (8,309) | | | | | (8,309) |
| Lease interests paid | (965) | | | | | (965) |
| Loan interests paid | (62,800) | | | | | (62,800) |
| **Net cash generated from financing activities** | 642,575 | – | – | – | – | 642,575 |
| **Net decrease in cash and cash equivalents** | (63,354) | | | | (2,690) | (66,044) |
| Cash and cash equivalents at the beginning of the year | 108,360 | | | | | 108,360 |
| **Cash and cash equivalents at the end of the year** | 45,006 | – | – | – | (2,690) | 42,316 |

## (E) NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING WEALTHINK AI GROUP

(1) The condensed consolidated statement of financial position of the Wealthink AI Group as at 30 September 2024 is extracted without adjustment from the interim report of Wealthink AI for the six months ended 30 September 2024.

The consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flows of the Wealthink AI Group for the year ended 31 March 2024 are extracted without adjustment from the annual report of Wealthink AI for the year ended 31 March 2024.

(2) The adjustments represent the estimated gain on disposal assuming the Disposal had taken place on 30 September 2024 and is calculated as follows:

| | *Note* | *HK$'000* |
|---|---|---|
| Consideration | *(i)* | 1,138,101 |
| Carrying amounts of CSOP Asset Management Limited as at 30 September 2024 | | (151,002) |
| Release of foreign currency translation reserve | | (160) |
| | | 986,939 |
| Less: Estimated transaction costs attributable to the Disposal | *(5)* | (2,690) |
| Estimated net gain on the Disposal | | 984,249 |

*Notes:*

(i) The amount represented the total consideration, being an amount of HK$1,138,101,000, which is satisfied by issuance of 1,405,063,292 Consideration Shares of GoFintech at the market price of HK$0.81. The market price represented the closing price at 30 September 2024. The directors of Wealthink AI consider the closing price at 30 September 2024 is more appropriate to illustrate the effect of the Disposal.

As at 30 September 2024, the Wealthink AI Group is beneficially interested in 1,612,000 GoFintech Shares (representing approximately 0.02% of the entire issued share of GoFintech), this investment was classified as investments at fair value through of profit or loss. Upon the Completion, the Wealthink AI Group will be beneficially interested in 1,406,675,292 GoFintech Shares (representing approximately 19.76% of the entire issued share of GoFintech), this investment was still classified as investments at fair value through of profit or loss.

(3) The adjustment reflects the exclusion of share of profits and other comprehensive income resulting from the transfer of the Target Shares as if the Disposal had been completed on 1 April 2023.

This pro forma adjustment is not expected to have a continuing effect.

(4) The adjustments represent the estimated gain on disposal assuming the Disposal had taken place on 1 April 2023 and is calculated as follows:

| | *Note* | *HK$'000* |
|---|---|---|
| Consideration | *(i)* | 164,392 |
| Carrying amounts of CSOP Asset Management Limited as at 1 April 2023 | | (110,325) |
| Release of foreign currency translation reserve | | (340) |
| | | 53,727 |
| Less: Estimated transaction costs attributable to the Disposal | *(6)* | (2,690) |
| Estimated net gain on the Disposal | | 51,037 |

*Notes:*

(i) The amount represented the total consideration, being an amount of HK$164,392,000 which is satisfied by issuance of 1,405,063,292 Consideration Shares of GoFintech at the market price of HK$0.117. The market price represented the closing price at 1 April 2023. The directors of Wealthink AI consider the closing price at 1 April 2023 is more appropriate to illustrate the effect of the Disposal.

This pro forma adjustment is not expected to have a continuing effect.

(5) The adjustment reflects the fair value changes recognized for the investment of approximately 19.74% of the entire issued share of GoFintech as if the Disposal had been completed on 1 April 2023, and is calculated as follows:

| | *HK$'000* |
|---|---|
| The fair value of 19.74% of the entire issued share of GoFintech at 1 April 2023 *(1,405,063,292 Shares of GoFintech at the market price of HK$0.117)* | 164,392 |
| The fair value of 19.74% of the entire issued share of GoFintech at 31 March 2024 *(1,405,063,292 Shares of GoFintech at the market price of HK$0.49)* | 688,481 |
| Fair value from 1 April 2023 to 31 March 2024 | 524,089 |

This pro forma adjustment is expected to have a continuing effect.

(6) The amount represents estimated transaction costs directly attributable to the Disposal, such as fee incurred for legal and professional service and Hong Kong Tax, amounting to approximately HK$2,690,000 and assumed to be fully settled by cash on 30 September 2024 and 1 April 2023.

This pro forma adjustment is not expected to have a continuing effect.

## ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING WEALTHINK AI GROUP

*The following is the text of a report, prepared for the sole purpose of inclusion in this joint circular, from the independent reporting accountant, ZHONGHUI ANDA CPA Limited, Certified Public Accountants, Hong Kong.*




25 June 2025

The Board of Directors
Wealthink AI-Innovation Capital Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of Wealthink AI-Innovation Capital Limited ("**Wealthink AI**") and its subsidiaries (hereinafter collectively referred to as the "**Wealthink AI Group**") by the directors of Wealthink AI for illustrative purposes only. The unaudited pro forma financial information of the Remaining Wealthink AI Group consists of the unaudited pro forma condensed consolidated statement of financial position as at 30 September 2024, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2024, the unaudited pro forma consolidated statement of cash flow for the year ended 31 March 2024 and related notes (the "**Unaudited Pro Forma Financial Information of the Remaining Wealthink AI Group**") as set out on pages IX-2 to IX-8 of the joint circular issued by Wealthink AI and GoFintech Quantum Innovation Limited dated 25 June 2025 (the "**Joint Circular**"). The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information of the Remaining Wealthink AI Group are described on pages IX-2 to IX-8 of the Joint Circular.

The Unaudited Pro Forma Financial Information of the Remaining Wealthink AI Group has been compiled by the directors to illustrate the impact of the proposed disposal of the 22.50% equity interest in CSOP Asset Management Limited on the Wealthink AI Group's financial position as at 30 September 2024 as if the transaction had been taken place at 30 September 2024, and on the Wealthink AI Group's financial performance and cash flows for the year ended 31 March 2024 as if the transaction had been taken place at 1 April 2023. As part of this process, information about the Wealthink AI Group's financial position as at 30 September 2024 has been extracted by the directors from the Wealthink AI Group's condensed consolidated financial statements as included in the interim report for the six months ended 30 September 2024, on which review report has been published. Information about the Wealthink AI Group's financial performance and cash flows for the year ended 31 March 2024 has been extracted by the directors from the Wealthink AI Group's consolidated financial statements as included in the annual report for the year ended 31 March 2024, on which an audit report has been published.

**Directors' Responsibility for the Unaudited Pro Forma Financial Information of the Remaining Wealthink AI Group**

The directors are responsible for compiling the Unaudited Pro Forma Financial Information of the Remaining Wealthink AI Group in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline ("**AG**") 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" 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 requirements 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.

The firm applies Hong Kong Standard on Quality Management 1, 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 Accountant's Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the Unaudited Pro Forma Financial Information of the Remaining Wealthink AI Group 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 of the Remaining Wealthink AI Group 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 accountant plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information of the Remaining Wealthink AI Group in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" 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 of the Remaining Wealthink AI Group, 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 of the Remaining Wealthink AI Group.

The purpose of Unaudited Pro Forma Financial Information of the Remaining Wealthink AI Group included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Wealthink AI Group as if the event 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 event or transaction at 1 April 2023 and 30 September 2024 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information of the Remaining Wealthink AI Group 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 of the Remaining Wealthink AI Group 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 pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information of the Remaining Wealthink AI Group reflects the proper application of those adjustments to the unadjusted financial information.

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

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information of the Remaining Wealthink AI Group.

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 of the Remaining Wealthink AI Group has been properly compiled on the basis stated;

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

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information of the Remaining Wealthink AI Group as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

**ZHONGHUI ANDA CPA Limited**
*Certified Public Accountants*
**Yeung Hong Chun**
Practising Certificate Number P07374
Hong Kong, 25 June 2025

## 1. RESPONSIBILITY STATEMENT

This joint circular, for which the GoFintech Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to GoFintech. The GoFintech Directors, after having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this joint 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 joint circular misleading.

## 2. SHARE CAPITAL

The authorised and issued share capital of GoFintech (A) as at the Latest Practicable Date; and (B) immediately following the completion of the Acquisition and the allotment and issuance of all of the Consideration Shares (assuming there is no change in the issued share capital of GoFintech from the Latest Practicable Date to the completion of the Acquisition and the allotment and issuance of all of the Consideration Shares)) are as follows:

**(A) As at the Latest Practicable Date:**

| | *HK$* |
|---|---|
| *Authorised:* | |
| 20,000,000,000 GoFintech Shares of HK$0.10 each | 2,000,000,000.0 |
| *Issued and fully paid:* | |
| 7,689,974,999 GoFintech Shares of HK$0.10 each | 768,997,499.9 |

**(B) Immediately following the completion of the Acquisition and the allotment and issuance of all of the Consideration Shares (assuming there is no change in the issued share capital of GoFintech from the Latest Practicable Date to the completion of the Acquisition and the allotment and issuance of all of the Consideration Shares (other than the allotment and issuance of the Consideration Shares)):**

| | *HK$* |
|---|---|
| *Authorised:* | |
| 20,000,000,000 GoFintech Shares of HK$0.10 each | 2,000,000,000.0 |
| *Issued and fully paid:* | |
| 7,689,974,999 GoFintech Shares of HK$0.10 each | 768,997,499.9 |
| 1,405,063,292 Consideration Shares to be allotted and issued of HK$0.10 each | 140,506,329.2 |
| 9,095,038,291 issued GoFintech Shares immediately upon completion of the Acquisition | 909,503,829.1 |

All the existing GoFintech Shares in issue are fully-paid and rank *pari passu* in all respects including all rights as to dividends, voting and return of capital. The Consideration Shares (when allotted and issued) will rank *pari passu* in all respects with the GoFintech Shares in issue on the date of allotment and issuance of the Consideration Shares. Holders of the Consideration Shares in their fully-paid form will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Consideration Shares.

GoFintech has applied to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares to be issued will be listed on the Stock Exchange. No part of the equity or debt securities of GoFintech is listed or dealt in on any other stock exchanges other than the Stock Exchange and no such listing or permission to deal in is being or is currently proposed to be sought from any other stock exchange.

## 3. DISCLOSURE OF INTERESTS

### (a) Interests and short positions of the GoFintech Directors and the chief executive of GoFintech in the securities of GoFintech and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the GoFintech Directors and the chief executive of GoFintech in the shares, underlying shares or debentures of GoFintech and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to GoFintech and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to GoFintech and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "**Model Code**") contained in the Listing Rules, were as follows:

***Long positions in the GoFintech Shares and the underlying GoFintech Shares***

| **Name of GoFintech Director/ Chief Executive** | **Capacity/ Nature of interest** | **Number of GoFintech Shares/ underlying GoFintech Shares** *(note 3)* | **Approximate percentage of the issued share capital of GoFintech** *(note 1)* |
|---|---|---|---|
| Ms. SUN Qing (Executive Director) | Beneficial owner | 10,248,000 *(note 4)* | 0.133% |
| Mr. CHAN Kin Sang (Independent Non-executive Director) | Beneficial owner | 512,000 | 0.007% |
| Mr. Chiu Kung Chik (Independent Non-executive Director) | Beneficial owner | 512,000 | 0.007% |
| Ms. LUI Mei Ka (Independent Non-executive Director) | Beneficial owner | 512,000 | 0.007% |
| Mr. ZHANG Huachen (Co-Chief Executive Officer) | Beneficial owner | 38,080,000 *(note 5)* | 0.495% |
| Mr. YUAN Tianfu (Co-Chief Executive Officer) | Beneficial owner | 38,080,000 *(note 6)* | 0.495% |
| Mr. LIU Haoyuan (Chief Operating Officer) *(note 2)* | Beneficial owner | 6,080,000 | 0.079% |

*Notes:*

(1) The percentage of shareholding was calculated on the basis of GoFintech's issued share capital of 7,689,974,999 GoFintech Shares as at the Latest Practicable Date.

(2) Mr. LIU Haoyuan is a former executive GoFintech Director and also the son of Dr. LIU Zhiwei, who is a substantial GoFintech Shareholder (as defined under the Listing Rules) and also the former chairman of the GoFintech Board and a former executive GoFintech Director.

(3) For the avoidance of doubt, the number of GoFintech Shares set out herein are all underlying GoFintech Shares, and unless otherwise specified in these notes, all underlying GoFintech Shares indicated are share awards granted to the named GoFintech Director(s) or chief executive(s) of GoFintech pursuant to the share award scheme of GoFintech effective on 3 June 2024 (the "**SAS**").

(4) These 10,248,000 underlying GoFintech Shares are beneficially owned by Ms. SUN Qing and amongst which, 6,080,000 underlying GoFintech Shares represent the share awards granted under the SAS, and 4,168,000 underlying GoFintech Shares represent the share options granted under the share option scheme of GoFintech (the "**SOS**") terminated on 29 May 2024 (the "**Termination**"), with such share options granted prior to the Termination continue to be valid and exercisable in accordance with the rules of the SOS.

(5) These 38,080,000 underlying GoFintech Shares are beneficially owned by Mr. ZHANG Huachen and amongst which, 6,080,000 underlying GoFintech Shares represent the share awards granted under the SAS, and 32,000,000 underlying GoFintech Shares represent the share options granted under the SOS, with such share options granted prior to the Termination continue to be valid and exercisable in accordance with the rules of the SOS.

(6) These 38,080,000 underlying GoFintech Shares are beneficially owned by Mr. YUAN Tianfu and amongst which, 6,080,000 underlying GoFintech Shares represent the share awards granted under the SAS, and 32,000,000 underlying GoFintech Shares represent the share options granted under the SOS, with such share options granted prior to the Termination continue to be valid and exercisable in accordance with the rules of the SOS.

Save as disclosed above, as at the Latest Practicable Date, none of the GoFintech Directors or chief executive of GoFintech had any interests or short positions in the GoFintech Shares, underlying GoFintech Shares and debentures of GoFintech or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to GoFintech and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by GoFintech under Section 352 of the SFO, or which were required to be notified to GoFintech and the Stock Exchange pursuant to the Model Code.

**(b) Substantial GoFintech Shareholders' interests**

As at the Latest Practicable Date, as far as is known to the GoFintech Directors and as recorded in the register required to be kept by GoFintech pursuant to section 336 of the SFO, the substantial GoFintech Shareholders (other than the GoFintech Directors or chief executive of GoFintech) who had interests or short positions in the GoFintech Shares or underlying shares of GoFintech were as follows:

***Long positions in the GoFintech Shares and the underlying GoFintech Shares***

| Name of GoFintech Shareholder | Capacity | Number of GoFintech Shares/ underlying shares held | Approximate percentage of the issued share capital of GoFintech |
|---|---|---|---|
| Mr. WANG Tao | Beneficial owner | 406,102,308 | 5.28% |
| Dr. LIU Zhiwei | Beneficial owner | 1,584,311,151 | 20.60% |
| GoFintech ESOP Limited *(Note 1)* | Beneficial owner | 518,400,000 | 6.74% |
| PS Trust Limited ("**PS Trust**") *(Note 1)* | Trustee | 518,400,000 | 6.74% |

*Note:*

1. As at the Latest Practicable Date, PS Trust is deemed to be interested in the GoFintech Shares held by GoFintech ESOP Limited. GoFintech ESOP Trust Limited is a special purpose vehicle wholly-owned by PS Trust, the trustee appointed by GoFintech for the administration of the SAS.

2. The percentage of shareholding was calculated on the basis of GoFintech's issued share capital of 7,689,974,999 GoFintech Shares as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, the GoFintech Directors were not aware of any substantial GoFintech Shareholder (who was not a GoFintech Director or chief executive of GoFintech) who had an interest or short position in the GoFintech Shares or underlying shares of GoFintech which was required to be entered in the aforesaid register pursuant to Section 336 of the SFO.

## 4. GOFINTECH DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the GoFintech Directors had entered into any existing and proposed service contract with any members of the GoFintech Group other than contracts expiring or determinable by the relevant member of the GoFintech Group within one year without payment of compensation (other than statutory compensation).

## 5. GOFINTECH DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the GoFintech Directors, controlling shareholder of GoFintech nor their respective close associates (as defined in the Listing Rules) had any interest in a business, which competes or may compete, either directly or indirectly, with the business of the GoFintech Group or any other conflict of interest which any such person has or may have with the GoFintech Group which would be required to be disclosed pursuant to the Listing Rules.

## 6. LITIGATION

As at the Latest Practicable Date, no member of the GoFintech Group was engaged in any litigation or arbitration of material importance and there was no litigation or claims of material importance known to the GoFintech Directors to be pending or threatened by or against any member of the GoFintech Group.

## 7. GOFINTECH DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, (a) none of the GoFintech Directors had any interest, direct or indirect, in any assets which had been, since 31 March 2024 (being the date to which the latest published audited consolidated accounts of the GoFintech Group were made up), acquired or disposed of by or leased to any member of the GoFintech Group, or were proposed to be acquired or disposed of by or leased to nay member of the GoFintech Group; and (b) none of the GoFintech Directors was materially interested in any contractual or arrangement entered into by any member of the GoFintech Group subsisting at such date and which was significant in relation to the business of the GoFintech Group.

## 8. MATERIAL CONTRACTS

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

(a) the subscription agreement dated 7 August 2023 entered into between GoFintech as issuer and Mr. Wang Tao (as subscriber) on the subscription of a total number of 263,593,577 GoFintech Shares;

(b) the placing agreement dated 17 October 2023 entered into between GoFintech and Fortune (HK) Securities Limited (as the placing agent) with respect to a rights issue on the basis of three (3) rights Shares ("**Rights Shares**") for every one (1) existing GoFintech Share (the "**Rights Issue**") for the placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares (as first defined in the announcement of GoFintech dated 17 October 2023) in the maximum number of 4,744,684,386 Rights Shares (as disclosed in the announcement of GoFintech dated 7 February 2024, Fortune (HK) Securities Limited had at last placed 2,377,299,720 Unsubscribed Rights Shares, representing approximately 50.10% of the total number of Rights Shares offered under the Rights Issue);

(c) the placing agreement dated 28 June 2024 entered into between GoFintech and Fortune (HK) Securities Limited (as the placing agent) on the placing of a maximum of 316,312,292 new GoFintech Shares;

(d) the Sale and Purchase Agreement; and

(e) the placing agreement dated 9 April 2025 entered into between GoFintech and Fortune (HK) Securities Limited (as the placing agent) on the placing of a maximum of 372,923,749 new GoFintech Shares.

## FUNDRAISING ACTIVITIES BY GOFINTECH IN THE PAST TWELVE MONTHS

The following are fundraising activities of GoFintech during the past 12 months immediately preceding the Latest Practicable Date:

| Date of announcements | Fundraising activity | Net proceeds raised (approximately) *(HK$ million)* | Intended use of net proceeds | Actual use of net proceeds |
|---|---|---|---|---|
| 28 June 2024 and 24 July 2024 | Placing of new GoFintech Shares | 243.90 | HK$142.00 million for operation and enhancement of the GoFintech Group's existing businesses | Fully used as intended |
| | | | HK$50.00 million for investments to be made under the GoFintech Group's equity investment business | Fully used as intended |
| | | | HK$25.00 million for continuous development and expansion into financial technology businesses; and | Fully used as intended |
| | | | HK$26.90 million for general working capital of the GoFintech Group | HK$16.76 million was used as intended, the remaining HK$10.14 million was expected to be utilised by December 2025 |
| 9 April 2025, 17 April 2025 and 25 April 2025 | Placing of new GoFintech Shares | 256.60 | HK$66.29 million for investments to be made under the GoFintech Group's equity investment business | Expected to be utilised within 12 months after completion of the placing of new GoFintech Shares |
| | | | HK$66.29 million for the continuous development and expansion into new business areas | Expected to be utilised within 24 months after completion of the placing of new GoFintech Shares |
| | | | HK$62.01 million for the operation and enhancement of the GoFintech Group's existing businesses; and | Expected to be utilised within 18 months after completion of the placing of new GoFintech Shares |
| | | | HK$62.01 for general working capital of the GoFintech Group | Expected to be utilised within 18 months after completion of the placing of new GoFintech Shares |

## 9. EXPERT AND CONSENT

The following is the qualification of the expert who is named in this joint circular or has given opinions or advice which are contained in this joint circular:

| Name | Qualification |
|---|---|
| Draco Capital Limited | a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the Wealthink AI Independent Financial Adviser to advise the Wealthink AI Independent Board Committee and the Wealthink AI Independent Shareholders in respect of the Disposal, the Sale and Purchase Agreement and the transactions contemplated thereunder |
| ZHONGHUI ANDA CPA Limited | Certified Public Accountants |
| BMI Appraisals Limited | Independent qualified valuer |
| Deloitte Touche Tohmatsu | Certified Public Accountants |

As at the Latest Practicable Date, the above expert did not have:

(a) any direct or indirect interest in any assets which have been, since 31 March 2024 (being the date to which the latest published audited consolidated accounts of the GoFintech Group were made up), acquired or disposed of by or leased to any member of the GoFintech Group, or are proposed to be acquired or disposed of by or leased to any member of the GoFintech Group; and

(b) any shareholding in any member of the GoFintech Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the GoFintech Group.

The above experts have given and have not withdrawn their respective written consents to the issue of this joint circular with the inclusion of their respective letters and/or references to their names, in the form and context in which they appear.

## 10. REVIEW ON THE GOFINTECH GROUP'S BUSINESSES

As a whole, the GoFintech Group's proprietary investment strategy is executed through wholly-owned subsidiaries and special purpose vehicles, focusing on direct equity investments and acquisitions. The GoFintech Group's holdings in associates and financial assets have a diversified exposure spanning across different forms of technologically innovative investments, including Web 3.0 projects, quantum technology, blockchain, clean energy, tech-innovative healthcare, etc.. In the future, the GoFintech Group intends to strategically expand its investments of artwork and deepening its focus on high-growth technology sectors, especially in the segment of quantum technology. We will also explore new opportunities through structured partnerships and capital allocation, and leverage existing bases to maximise long-term value.

An overview and prospect of the GoFintech Group's major segment of businesses as at the Latest Practicable Date are as follows:

### (a) Dealing in securities

Conducted by FSL this segment of business includes the provision of brokerage services, margin financing, securities placing and underwriting businesses. Furthermore, FSL has also successfully uplifted its license to become an upgraded virtual asset license ("**VAL**") so as to have its business coverage extended to virtual assets dealing in July 2024. In October 2024, FSL has also launched the new "Fortune Pro" app and to provide OTC derivatives, such as total return swap contracts to professional investor clients. FSL currently have a team of ten members (excluding finance, compliance, and IT which are powered by GoFintech) and it will strengthen its manpower according to the needs of business expansion.

During the six months ended 30 September 2024, the securities brokerage and margin financing business segment generated revenue of approximately HK$8.12 million.

Looking forward, FSL will continue explore opportunities and to catch up with the market trend within its license conditions. Other than general working capital for human resources, there will also be capital needs for continuous expenses in IT and system upgrades to bring both staff and clients a more user-friendly environment with technology for investment.

**(b) Corporate Finance**

Conducted by Fortune Financial Capital Limited ("**FFCL**", a wholly-owned subsidiary of GoFintech, licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO), this segment of business includes the provision of a range of corporate finance advisory services, including acting as sponsor for initial public offering in Hong Kong, financial advisory, independent financial advisory, and compliance advisory services. With improving financial market sentiment since 2025, evidenced by significant growth in the Hang Seng Index, higher average daily turnover volume in general, increased fundraising by initial public offering, a rise in corporate, merger and acquisition activities, FFCL is committed to maintaining its corporate finance advisory operations and strategically allocating resources to seize emerging business opportunities. FFCL currently has four licensed persons.

During the six months ended 30 September 2024, the corporate finance business segment generated revenue of approximately HK$1.297 million.

Looking forward, as one of the GoFintech Group's existing and core businesses, FFCL will continue its advisory role by proactively pursuing corporate finance business opportunities, thereby enabling GoFintech to allocate additional financial resources to expand FFCL's operational scale, while fostering closer business collaborations with its clients to generate further business opportunities. It is anticipated that the general working capital for its operations will increase owing to more optimistic fundraising sentiments in Hong Kong's equity capital markets, thus creating a need for funding.

**(c) Asset Management**

Conducted by Fortune Asset Management Limited ("**FAML**", a wholly-owned subsidiary of GoFintech, licensed to carry out type 4 and 9 (advising on securities and asset management) regulated activities under the SFO), this segment of business includes the management of three projects and/or funds, being (i) Newborn Town, focusing on short-term debt obligations such as project notes; (ii) Fortune Opportunity Fund SP, being a segregated portfolio investment with the equity in Genuine Biotech Limited; and (iii) Fortune Select Limited Partnership, with focus on investment in the interests of QFLP (i.e. Qualified Foreign Limited Partnership), which in turn has its underlying investments being equity interests. The investment approach adopted is a diversified investment one and with FAML's diversified investment portfolio, a strong foundation for stable returns and long-term value creation have been established.

During the six months ended 30 September 2024, the asset management business segment generated revenue of HK$1.941 million.

Looking forward, with additional funding to FAML, in terms of businesses and investments, growth can be accelerated and scope of investment can be expanded. Firstly, resources will enable FAML to strategically expand client service capabilities by hiring more experienced investment specialists, allowing deeper expertise in the service provision for our growing client base. Secondly, as capital is being directed towards expansion of investment mandate and diversification of investment portfolio in terms of new markets and regions, enhanced value will be delivered to clients through honed services and diversified return streams.

**(d) Money Lending**

Conducted by Fortune Finance Limited ("**FFL**", a wholly-owned subsidiary of GoFintech, which is also a licensed money lender), this segment of business includes money lending to corporate and individual clients and since launching its mortgage business in 2011, GoFintech has developed a diversified loan portfolio, including mortgage loans and securities-backed financing. As at the Latest Practicable Date, GoFintech maintains four active loans with a total principal amount of approximately HK$83 million. In 2024, GoFintech successfully developed a number of new corporate customers which has generated satisfying returns for GoFintech.

During the six months ended 30 September 2024, the money lending business segment generated revenue of HK$8.439 million.

Looking forward, as the aforesaid new corporate customers are expected to become a core business focus going forward with respect to GoFintech's money lending segment, GoFintech will continue to allocate resources to grow this segment and broaden its service scope. The fundraising are consistent with the FFL's strategy to expand its lending scale and diversify its loan portfolio. Additional capital enhances funding flexibility and supports both the expansion of existing lending businesses and the development of the new projects. These actions allow FFL to strengthen credit risk management, deepen client relationships, and capture long-term growth opportunities in the business lending market.

**(e) Trading Businesses**

Commencing from the financial year starting on 1 April 2024, the GoFintech Group has started its trading businesses, its business coverage focuses on commodities, being agricultural products, non-ferrous mineral resources, products involving new energy and advanced green technologies, petroleum and its relevant biochemical products and coal. This segment has a team of two members.

Looking forward, the GoFintech Group's plan is to (i) expand new sectors of trading in terms of commodities for transactions, and simultaneously, expand the scale and scope of the trading business to involve in transactions of derivatives trading such as futures, options and swaps for commodities, so as to achieve further diversification on financial services provision of the GoFintech Group; and (ii) expand into the trade financing business and merge the trading businesses with the financial services of the GoFintech Group, thereby updating its business model with more advanced investment products and service model, including the development of financial service products for commodities, so as to provide trade financing solutions for suppliers and customers, promoting the GoFintech Group's market competitiveness on its existing financial service segments.

**(f) Artwork Investment Business**

Commencing from the financial year starting on 1 April 2024, the GoFintech Group has initiated its artwork investment business, its business coverage focuses on artwork and relevant assets' auctioneering business, added with different types of artwork investment including contemporary work of art, artwork by famous painters and sculptors, calligraphy and antiques.

Looking forward, this segment of business will be expanded towards real-world asset ("**RWA**") financing for artwork; the funds and trusts for artwork; equity investment on companies focused on artwork auctioneering and exhibition; and the loan financing involving the pledging and guaranteeing with artwork assets.

**(g) Equity Investment**

***(i) Segments and Strategies for Investments***

In respect of the equity investments, the primary objective would be the prioritisation of long-term investments in sectors of high growth potential, including (1) new energy and advanced green technologies, focusing on hydrogen energy development and non-ferrous metal recycling, with such focus relying on their stable models to generate revenue and leveraging on prevailing policy support; (2) Web 3.0 projects, targeting on blockchain innovation through early-stage stakes in decentralized finance (DeFi) protocols, stable-coin ecosystems and RWA tokenization platforms which are supported in terms of regulatory compliance by FSL holding the VAL; (3) investments in interests of funds of large-scale financial products such as equity index funds and fixed-income instruments; and (4) investments on quantum computing. By building a diversified portfolio aiming at high-growth sectors (new energy, Web 3.0 projects, quantum computing) and scarce assets (art, digital currencies), the GoFintech Group is driving appreciation in the long run and pioneers the next investment frontier.

The overall investment strategy is to systematically identify, evaluate, and capitalize on high-growth opportunities while diligently hedging risks and maintaining rigorous risk controls. With the executive committee of GoFintech (the "**Executive Committee**") being the core decision-maker for the GoFintech Group's investments, its members collaborate with other members of the management to establish a closed-loop governance framework, spanning "investment decisions-execution tracking-risk mitigation-value enhancement".

A dedicated investment team comprising finance, compliance, and industry specialists is deployed, with regular training programs to enhance risk identification capabilities. Under the current investment direction, the focus is on technological innovation, to accelerate the conversion of new and existing development drivers for the GoFintech Group's businesses and to regularly implement strategic adjustments for business development. The GoFintech Group accordingly will actively embrace the opportunities brought by innovative technologies such as Web 3.0 and quantum computing, explore technological applications in emerging fields and seize their investment opportunities.

Moreover, on risk management for funds, fund managers establish and maintain effective risk management policies and reporting methodologies, subject to regular review, especially when significant changes occur to the fund or such changes to market conditions, legislation, rules, or regulations may impact the fund's risk exposure. Additionally, the risk management policy for each fund implements a system of limits to monitor and control the relevant risks based on the measures used.

Last but not least, the GoFintech Group has a virtual currency holding of 58.6 BTC (valued at approximately HK$47.99 million as at the Latest Practicable Date) traded via licensed cryptocurrency exchange, with plans to expand investments into regulated stablecoins.

The tenure of investments elaborated above are (1) typically medium to long-term horizons for private equity investments with a tenure of 3 years or above, with exit timing calibrated to strategic milestones such as market share dominance and profitability thresholds; or liquidity events such as trade sales and initial public offerings; and (2) for publicly traded equities and index funds, the relevant investments serve as short-term liquidity buffers, in the terms of 1-3 years.

***(ii) Core Management Members Responsible for Investments***

The two Co-Chief Executive Officers are tasked with identifying and evaluating strategic investment opportunities aligned with the GoFintech Group's overarching objectives. Following rigorous due diligence conducted by the capital operations team, they will present comprehensive findings and recommendations to the Executive Committee for final approval.

Mr. YUAN Tianfu ("**Mr. Yuan**") joined the GoFintech Group in January 2022 and was further appointed as the co-CEO in February 2024. Mr. Yuan currently serves as a director of certain subsidiaries of the GoFintech Group. Mr. Yuan graduated from Tsinghua University in 2011 with a bachelor's degree in Electronic Science and Technology, and further obtained a master's degree in Business Administration from Renmin University of China in 2016. Mr. Yuan has nearly 15 years of experience in the financial industry and is familiar with the environment, regulations and operations of the mainland China, Hong Kong and international capital markets. Before joining the GoFintech Group, Mr. Yuan served as the senior project manager of the strategic investment department and the vice president of Anbang Insurance Group Holdings Co., Ltd. from June 2011 to December 2014. From January 2015 to December 2019, he served as the head of the office of the board of directors of Tongchuang Jiuding Investment Management Group Holdings Co., Ltd. From January 2020 to December 2021, he served as the vice president of Kunwu Jiuding Investment Management Co., Ltd..

Mr. ZHANG Huachen ("**Mr. Zhang**") joined the GoFintech Group in September 2022 and was further appointed as the co-CEO in February 2024. He is currently a Type 1 and Type 4 licensed representative and a Type 9 responsible officer registered under the Securities and Futures Ordinance, and currently serves as a director of certain subsidiaries of the GoFintech Group. Mr. Zhang has over 10 years of extensive experience in the capital market. He is familiar with investments in the fields of financial technology and digital assets, and has in-depth understanding of international investment banking, private equity investment, setting up and operations of special purpose acquisition companies (SPAC) in the Hong Kong and U.S. stock markets and fund operations. Prior to joining the GoFintech Group, Mr. Zhang had held management positions with a number of reputable financial institutions including Huarong International Asset Management Limited and etc., and had successfully completed various private equity financing, stock secondary market investment, fixed-income financing and corporate mergers & acquisitions projects. Mr. Zhang has obtained a master's degree in Business Management from Hong Kong Baptist University in 2015.

As indicated above, the GoFintech Group has the Executive Committee to decide on investments. The Executive Committee are responsible for supervising the daily operations of GoFintech, implementing business strategies made by the Board and making investment decisions within its authorities. The Executive Committee comprises all executive Directors and relevant department heads of GoFintech.

***(iii) Investment Opportunities and Consideration***

GoFintech strategically sources investment opportunities through a synergistic blend of institutional partnerships, including (1) its network within the capital markets, partner with institutions such as investment banks, brokerage firms, commercial banks; and (2) channel with the universities and research institutions in domestic PRC and Hong Kong.

Investment decisions are based on three factors as follows: (1) strategic alignment with policy directives and regional regulatory frameworks; (2) technical feasibility through validated research milestones and protocol resilience assessments; and (3) financial discipline and risk controlling by utilising rigorous valuation models and market benchmark analysis.

***(iv) Internal Control, Ongoing Monitoring and Risk Management for Investments***

The standardised investment process establishes a structured internal control framework to ensure disciplined risk management, regulatory compliance, and operational efficiency throughout the investment lifecycle.

Key controls commence with rigorous pre-investment due diligence, where risks are assessed through reviews of the target's qualifications, financial health, legal documents, and business models. Cross-functional collaboration of GoFintech's departments ensure risks are holistically addressed with (i) the legal department validates contracts and mitigates legal exposure; (ii) the compliance & risk management department conducts counterparty checks and third-party due diligence; and (iii) the finance department evaluates financial viability, tax implications, and funding arrangements. Approvals are strictly tiered, requiring formal resolutions from the Executive Committee, Board of Directors, or the Shareholders (as the case may be), as supported by final reviews from all relevant departments to align investments with strategic and compliance objectives.

During execution of the investments, roles are segregated to prevent conflicts with (i) the capital operations department leading the relevant transactions; (ii) the legal department ensuring contractual validity; (iii) the finance department managing payments and taxes; and (iv) the company secretary department overseeing disclosures and governance compliance.

Post-investment controls focus on maintenance of documentation with critical records, records such as equity certificates, financial reports will be centrally archived and regularly analysed to monitor performance, electronic backups are maintained for auditability.

GoFintech's subsidiary responsible for executing the investments handles routine oversight, while the Executive Committee retains authority over major decisions, including exits or disputes. Prior to the entry into investments, the GoFintech Group ensures mechanism being present and transparent for disclosure of important events with detailed record tracking throughout the entire investment process. Compliance is ensured through periodic reviews of portfolio companies' adherence to relevant laws, regulations and internal policies.

Process timelines are present to enforce accountability, with departments required to respond within one business day during pre-reviews and strict deadlines for finalizing approvals. Transparency is maintained through prompt disclosure of material events and audit trails for all stages, from due diligence to post-investment monitoring. These control measures jointly safeguard assets, ensure adherence to rules and regulations, and promote sustainable value-creation.

Moreover, GoFintech's subsidiary responsible for executing the investments ensures continuous operational and financial monitoring by imposing compulsory requirement of regular reporting from investment targets, including audited financial statements, operational metrics (e.g., revenue growth, market share), and updates on material events (e.g., management changes, regulatory issues). The operations department of GoFintech is responsible for performing reconciliations between internal records and third-party documentation, including clearing houses, banks, custodians, counterparties, and executing brokers. This process ensures the identification and correction of any errors, omissions, or asset misplacements. Reconciliations shall be conducted at least monthly, based on an asset register that is regularly maintained and used to update client asset ledger accounts. Additionally, monthly account statements must be prepared for each client within a maximum period of three months.

Operational verification occurs through scheduled on-site visits and independent third-party audits, which assess business plan adherence and operational integrity.

Risk management is embedded through predefined thresholds tailored to each investment type. For instance, equity investments trigger alerts for valuation declines over 30%. Sector-specific protocols further enhance oversight, with equity investments emphasizing governance compliance measures like veto rights for related-party transactions.

When reviewing in conjunction, GoFintech's fundraising and corporate actions over the last 12 months preceding the Latest Practicable Date are strategically aligned with our core business model with to strive for diversification when enlarging Shareholders' return, and constantly improving our investment capability and knowledge on different segments. The fundraising can improve the strategic integration of the GoFintech Group's segments of businesses, enhancing both resource acquisition and liquidity management.

Additionally, the capital raised and/or preserved will strengthen our position in high-growth technological sectors, particularly quantum computing, where we continue to build partnerships with leading research institutions, and other emerging fields such as clean energy and digital assets, while also exploring opportunities in other promising sectors that align with our core competencies and market trends. To conclude, as at the Latest Practicable Date, in respect of the above development and diversification of the GoFintech Group's businesses, it is of the Board's view on the net proceeds from the above fundraisings and corporate actions would satisfy the funding need of the GoFintech Group for the next twelve months. While GoFintech does not have any agreement, arrangement, understanding, or negotiation (either concluded or in process) on any potential fundraising activities, GoFintech cannot rule out the possibility that GoFintech will conduct debt and/or equity fundraising exercises when suitable fundraising opportunities arise. Further announcement(s) will be made by GoFintech with regards to any potential fundraising activities as and when appropriate and in accordance with the Listing Rules.

## 11. MISCELLANEOUS

(a) Ms. YAN Xin is the company secretary of GoFintech ("**Ms. Yan**"). Ms. Yan holds a master's degree in Corporate Governance and Compliance from Hong Kong Baptist University. She has over 10 years of experience in company secretarial, corporate governance and corporate finance matters. Ms. Yan is an associate member of both the Hong Kong Chartered Governance Institute and the Chartered Governance Institute in the United Kingdom.

(b) The registered office of GoFintech is at Suite 102, Cannon Place, P.O. Box 712, North Sound Rd., George Town, Grand Cayman, KY1-9006, Cayman Islands and the principal place of business of GoFintech in Hong Kong is at Units 4102-06, 41/F, COSCO Tower, 183 Queen's Road Central, Hong Kong.

(c) As at the Latest Practicable Date, there was no restriction affecting the remittance of profits or repatriation of capital of GoFintech into Hong Kong from outside Hong Kong.

(d) As at the Latest Practicable Date, GoFintech had no significant exposure to foreign exchange liabilities.

(e) The English text of this joint circular and the accompanying form of proxy shall prevail over their respective Chinese text in case of inconsistency.

## 12. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of GoFintech (www.290.com.hk) for a period of 14 days from the date of this joint circular (inclusive):

(a) the Sale and Purchase Agreement;

(b) the letter from the GoFintech Board, the text of which is set out on pages 8 to 32 of this joint circular;

(c) the letter from the Wealthink AI Board, the text of which is set out on pages 33 to 58 of this joint circular;

(d) the letter of recommendation from the Wealthink AI Independent Board Committee to the Wealthink AI Independent Shareholders, the text of which is set out on pages IBC-1 to IBC-2 of this joint circular;

(e) the letter of advice from the Wealthink AI Independent Financial Adviser to the Wealthink AI Independent Board Committee and the Wealthink AI Independent Shareholders, the text of which is set out on pages IFA-1 to IFA-34 of this joint circular;

(f) the accountants' report of the Target Group prepared by Deloitte Touche Tohmatsu, the text of which is set out in Appendix III to this joint circular;

(g) the valuation report of the Target Company prepared by BMI Appraisals Limited, the text of which is set out in Appendix IV to this joint circular;

(h) the report prepared by ZHONGHUI ANDA CPA Limited in respect of the unaudited pro forma financial information of the Enlarged GoFintech Group as set out in Appendix VIII to this joint circular;

(i) the report prepared by ZHONGHUI ANDA CPA Limited in respect of the unaudited pro forma financial information of the Remaining Wealthink AI Group as set out in Appendix IX to this joint circular;

(j) the material contracts referred to under the paragraph headed "**MATERIAL CONTRACTS**" in this appendix;

(k) the written consents referred to in the paragraph headed "**EXPERT AND CONSENT**" in this appendix;

(l) the Supplemental Agreement; and

(m) this joint circular.

## 1. RESPONSIBILITY STATEMENT

This joint circular, for which the Wealthink AI Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to Wealthink AI. The Wealthink AI Directors, after having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this joint 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 joint circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Interests and short positions of the Wealthink AI Directors and the chief executive of Wealthink AI in the shares and underlying shares of Wealthink AI or any associated corporations

As at the Latest Practicable Date, none of the Wealthink AI Directors or chief executive of Wealthink AI had any interests or short positions in the Shares, underlying Shares and debentures of Wealthink AI or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to Wealthink AI and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by Wealthink AI under Section 352 of the SFO, or which were required to be notified to Wealthink AI and the Stock Exchange pursuant to the Model Code.

**(b) Substantial Wealthink AI Shareholders' Interest and/or short positions in shares and underlying shares of Wealthink AI**

As at the Latest Practicable Date, so far as the Wealthink AI Directors or the chief executive of Wealthink AI are aware, the following corporation and persons other than a Wealthink AI Director or the chief executive of Wealthink AI had an interest or a short position in the Wealthink AI Shares and underlying Wealthink AI Shares, which were required to be disclosed pursuant to 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 referred to therein:

***Long positions in the ordinary Wealthink AI Shares and the underlying Wealthink AI Shares***

(L) denotes long position.

| Name of Wealthink AI Shareholder | Capacity | Interest in Wealthink AI Shares | Interest in underlying shares | Approximate % of Shareholding of Wealthink AI *(note 1)* |
|---|---|---|---|---|
| Acorn Harvest *(note 2)* | Beneficial owner | 955,550,622 (L) | – | 9.08 |
| YANG Fan *(note 2)* | Interest of controlled corporation | 955,550,622 (L) | – | 9.08 |
| Ming Yang *(note 3)* | Interest of controlled corporation | 1,209,939,000 (L) | – | 11.50 |
| Tycoon Champ *(note 3)* | Interest of controlled corporation | 1,209,939,000 (L) | – | 11.50 |
| Bright Victory *(note 4)* | Beneficial owner | 978,260,870 (L) | – | 9.30 |
| TCHL *(note 4)* | Interest of controlled corporation | 978,260,870 (L) | – | 9.30 |
| TIMGCL *(note 4)* | Interest of controlled corporation | 978,260,870 (L) | – | 9.30 |
| TJIHCL *(note 4)* | Interest of controlled corporation | 978,260,870 (L) | – | 9.30 |
| WU Gang *(note 4)* | Interest of controlled corporation | 978,260,870 (L) | – | 9.30 |
| Hong Sheng *(note 5)* | Beneficial owner | 812,263,200 (L) | – | 7.72 |
| CHEN Jiabin *(note 5)* | Interest of controlled corporation | 812,263,200 (L) | – | 7.72 |

*Notes:*

(1) The percentage of shareholding was calculated on the basis of Wealthink AI's issued share capital of 10,520,324,505 shares as at the Latest Practicable Date.

(2) This represented 955,550,622 shares held by Acorn Harvest Holdings Limited ("**Acorn Harvest**"). Acorn Harvest is wholly owned by Ms. YANG Fan. By virtue of the SFO, both of Acorn Harvest and Ms. YANG Fan are deemed to be interested in the shares and underlying shares of Wealthink AI held by Acorn Harvest.

(3) This represented an aggregate ("**Aggregated Shares**") of the 197,400,000 shares held by CVAM Investment Fund SPC, acting on behalf and for the accounts of CVAM Greater China Selected Fixed Income SP, the 20,000,000 shares held by Ming Yang International Opportunities SPC, acting on behalf and for the accounts of Ming Yang International Opportunities Fund SP2, the 204,752,000 shares held by Ming Yang International Opportunities SPC, acting on behalf and for the accounts of Ming Yang International Opportunities Fund SP6, and the 787,787,000 shares held by Ming Yang International Opportunities SPC, acting on behalf and for the accounts of Ming Yang International Opportunities Fund SP1. By virtue of the SFO, Ming Yang Capital Limited ("**Ming Yang**"), and Tycoon Champ Limited ("**Tycoon Champ**") who owns 100% of the issued share capital in Ming Yang, are deemed to be interested in the Aggregated Shares.

(4) This represented 978,260,870 shares held by Bright Victory International Limited ("**Bright Victory**"). Bright Victory is a wholly owned subsidiary of Tong Chuang Holdings Limited ("**TCHL**"). TCHL is in turn a wholly subsidiary of Tongchuangjiuding Investment Management Group Co., Ltd. ("**TIMGCL**") while 46.29% of the issued share capital of TIMGCL is owned by Tongchuang Jiuding Investment Holdings Co. Ltd. ("**TJIHCL**"). 35.00% of the issued share capital of TJIHCL is beneficially owned by Mr. WU Gang. By virtue of the SFO, each of TJIHCL, TIMGCL, TCHL and Mr. WU Gang is deemed to be interested in the shares and underlying shares of Wealthink AI held by Bright Victory.

(5) This represented 812,263,200 shares held by Hong Sheng Universe Limited ("**Hong Sheng**"). Mr. CHEN Jiabin owns 100% of the issued share capital in Hong Sheng. By virtue of the SFO, Mr. CHEN Jiabin is deemed to be interested in the shares held by Hong Sheng.

Save as disclosed above, as at the Latest Practicable Date, Wealthink AI has not been notified by any other persons, not being a Wealthink AI Director or chief executive of Wealthink AI, who has interests or short positions in the shares and underlying shares of Wealthink AI representing 5% or more of Wealthink AI's issued share capital.

## 3. WEALTHINK AI DIRECTORS' SERVICE CONTRACT

As at the Latest Practicable Date, none of the Wealthink AI Directors had entered into any existing and proposed service contract with any members of the Wealthink AI Group other than contracts expiring or determinable by the relevant member of the Wealthink AI Group within one year without payment of compensation (other than statutory compensation).

## 4. WEALTHINK AI DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, in so far as the Wealthink AI Directors are aware, none of the Wealthink AI Directors or any of their respective associates had an interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Wealthink AI Group which required to be disclosed under Rule 8.10 of the Listing Rules.

## 5. LITIGATION

As at the Latest Practicable Date, neither Wealthink AI nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Wealthink AI Directors to be pending or threatened against Wealthink AI or any of its subsidiaries.

## 6. WEALTHINK AI DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, (a) none of the Wealthink AI Directors had any interest, direct or indirect, in any assets which had been, since 31 March 2024 (being the date to which the latest published audited consolidated accounts of the Wealthink AI Group were made up), acquired or disposed of by or leased to any member of the Wealthink AI Group, or were proposed to be acquired or disposed of by or leased to any member of the Wealthink AI Group; and (b) none of the Wealthink AI Directors was materially interested in any contractual or arrangement entered into by any member of the Wealthink AI Group subsisting at such date and which was significant in relation to the business of the Wealthink AI Group.

## 7. MATERIAL CONTRACTS

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

(a) the Sale and Purchase Agreement.

## 8. EXPERT AND CONSENT

The following is the qualification of the expert who is named in this joint circular or has given opinions or advice which are contained in this joint circular:

| Name | Qualification |
|---|---|
| Draco Capital Limited | a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the Wealthink AI Independent Financial Adviser to advise the Wealthink AI Independent Board Committee and the Wealthink AI Independent Shareholders in respect of the Disposal, the Sale and Purchase Agreement and the transactions contemplated thereunder |
| ZHONGHUI ANDA CPA Limited | Certified Public Accountants |
| BMI Appraisals Limited | Independent qualified valuer |
| Deloitte Touche Tohmatsu | Certified Public Accountants |

As at the Latest Practicable Date, the above expert did not have:

(a) any direct or indirect interest in any assets which have been, since 31 March 2024 (being the date to which the latest published audited consolidated accounts of the Wealthink AI Group were made up), acquired or disposed of by or leased to any member of the Wealthink AI Group, or are proposed to be acquired or disposed of by or leased to any member of the Wealthink AI Group; and

(b) any shareholding in any member of the Wealthink AI Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Wealthink AI Group.

The above experts have given and have not withdrawn their respective written consents to the issue of this joint circular with the inclusion of their respective letters and/or references to their names, in the form and context in which they appear.

## 9. MISCELLANEOUS

(a) The secretary of Wealthink AI is Ms. Yan Xin ("**Ms. Yan**"). Ms. Yan holds a master's degree in Corporate Governance and Compliance from Hong Kong Baptist University. She has over 10 years of experience in company secretarial, corporate governance and corporate finance matters. Since January 2024, Ms. Yan has been the company secretary and an authorised representative of GoFintech. Ms. Yan is an associate member of both the Hong Kong Chartered Governance Institute and the Chartered Governance Institute in the United Kingdom.

(b) The registered office of Wealthink AI is at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and the principal place of business of Wealthink AI in Hong Kong is at Room 3910-13, 39/F, COSCO Tower, Grand Millennium Plaza, 183 Queen's Road Central, Hong Kong.

(c) As at the Latest Practicable Date, there was no restriction affecting the remittance of profits or repatriation of capital of Wealthink AI into Hong Kong from outside Hong Kong.

(d) As at the Latest Practicable Date, Wealthink AI had no significant exposure to foreign exchange liabilities.

(e) The Hong Kong branch share registrar and transfer office of Wealthink AI is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(f) In the event of any inconsistency, the English text of this joint circular shall prevail over the Chinese text.

## 10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of Wealthink AI (www.1140.com.hk) for a period of 14 days from the date of this joint circular (inclusive):

(a) the Sale and Purchase Agreement;

(b) the letter from the GoFintech Board, the text of which is set out on pages 8 to 32 of this joint circular;

(c) the letter from the Wealthink AI Board, the text of which is set out on pages 33 to 58 of this joint circular;

(d) the letter of recommendation from the Wealthink AI Independent Board Committee to the Wealthink AI Independent Shareholders, the text of which is set out on pages IBC-1 to IBC-2 of this joint circular;

(e) the letter of advice from the Wealthink AI Independent Financial Adviser to the Wealthink AI Independent Board Committee and the Wealthink AI Independent Shareholders, the text of which is set out on pages IFA-1 to IFA-34 of this joint circular;

(f) the accountants' report of the Target Group prepared by Deloitte Touche Tohmatsu, the text of which is set out in Appendix III to this joint circular;

(g) the valuation report of the Target Company prepared by BMI Appraisals Limited, the text of which is set out in Appendix IV to this joint circular;

(h) the report prepared by ZHONGHUI ANDA CPA Limited in respect of the unaudited pro forma financial information of the Enlarged GoFintech Group as set out in Appendix VIII to this joint circular;

(i) the report prepared by ZHONGHUI ANDA CPA Limited in respect of the unaudited pro forma financial information of the Remaining Wealthink AI Group as set out in Appendix IX to this joint circular;

(j) the material contracts referred to under the paragraph headed "**MATERIAL CONTRACTS**" in this appendix;

(k) the written consents referred to in the paragraph headed "**EXPERT AND CONSENT**" in this appendix;

(l) the Supplemental Agreement; and

(m) this joint circular.

## 11. PARTICULARS OF MAJOR INVESTMENTS HELD BY THE WEALTHINK AI GROUP

Particulars of investments held by the Wealthink AI Group as at 30 September 2024 are as follows:

| Name of investments | Nature of business | Proportion of investee's capital owned | Cost | Carrying amount | Net asset attributable to the Wealthink AI Group | Unrealised (loss)/gain for the period | Realised (loss)/gain for the period | Percentage of the Wealthink AI Group's total assets |
|---|---|---|---|---|---|---|---|---|
| | | | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | |
| **Investments at fair value through profit or loss** | | | | | | | | |
| OPIM Holdings Limited – non-voting preference shares | Asset management | 100.00% | 58,000 | 24,500 | 24,500 | – | – | 0.23% |
| iCarbonX Group Limited – ordinary shares | Medical and healthcare | 7.73% | 1,098,790 | 649,100 | 649,100 | (148,526) | –# | 6.17% |
| Jiedaibao Limited | Internet-based financial services | 2.49% | 900,389 | 1,081,489 | 1,081,489 | (638) | –# | 10.27% |
| 上海恒嘉美聯發展有限公司 | Equity and property investments, and commodity trading | 14.9% | 450,000 | 454,913 | 454,913 | 22,560 | –# | 4.32% |
| 時代領航基金 | Asset management | N/A | 803,084 | 786,443 | 786,443 | (445) | –# | 7.47% |
| 青島泰合專精特新股權投資中心 | Asset management | N/A | 450,232 | 432,262 | 432,262 | 49 | –# | 4.11% |
| 青島東英領航股權投資中心 | Asset management | N/A | 489,002 | 510,256 | 510,256 | 3,803 | –# | 4.85% |
| 四川鴻鵠志遠教育管理集團有限公司 | Education | N/A | 1,704,863 | 1,658,000 | 1,658,000 | 26,000 | –# | 15.75% |

| Name of investments | Principal activity of borrower | Tenure | Cost | Carrying amount | Net asset attributable to the Wealthink AI Group | Total interest for the period | Interest detail | Percentage of the Wealthink AI Group's total assets |
|---|---|---|---|---|---|---|---|---|
| | | | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | | |
| **Debt investments** | | | | | | | | |
| Debenture A | Investment holding | 9 months | 450,000 | 441,211 | 441,211 | 10,985 | 9.00% p.a., pay upon maturity# | 4.19% |
| Debenture B | Investment holding | 9 months | 430,000 | 421,602 | 421,602 | 13,996 | 9.00% p.a., pay upon maturity# | 4.00% |
| Debenture C | Investment holding | 1 year | 300,000 | 294,141 | 294,141 | 15,041 | 9.00%p.a., pay upon maturity# | 2.79% |

# Represents the ten largest investments as at 30 September 2024.

## 12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

As at 30 September 2024, the Wealthink AI Group had investments in associates and joint ventures of approximately HK$670.31 million, and the total amount of investments at fair value through profit or loss was approximately HK$6,397.39 million. According to the unaudited pro forma financial information of the Remaining Wealthink AI Group as set out in Appendix IX to this joint circular, it is expected that upon completion of the Disposal, the unaudited pro forma investments in associates and joint ventures would be decreased to HK$519.31 million, while the total amount of investments at fair value through profit or loss would be increased to HK$7,535.49 million.

# GoFintech Quantum Innovation Limited
# 國富量子創新有限公司

*(formerly known as GoFintech Innovation Limited 國富創新有限公司)*
*(Incorporated in the Cayman Islands with limited liability)*
**(Stock Code: 290)**

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the "**GoFintech EGM**") of GoFintech Quantum Innovation Limited ("**GoFintech**") will be held at Units No. 4102-06, 41/F, COSCO Tower, 183 Queen's Road Central, Hong Kong on Tuesday, 15 July 2025 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution as ordinary resolution of GoFintech (unless otherwise indicated, capitalised terms used in this notice shall have the same meanings as those defined in the joint circular dated 25 June 2025 issued by GoFintech and Wealthink AI-Innovation Capital Limited (the "**Joint Circular**")):

### ORDINARY RESOLUTION

"**THAT**:

(a) the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Acquisition and the issuance of the Consideration Shares under the Specific Mandate, be and are hereby approved, confirmed and ratified;

(b) subject to and conditional upon the Listing Committee having granted approval for the listing of, and permission to deal in, the Consideration Shares, the grant of the Specific Mandate which shall entitle the GoFintech Directors to exercise all the powers of GoFintech to allot and issue the Consideration Shares to the Vendor (or as it may direct) pursuant to the terms and conditions of the Sale and Purchase Agreement be and is hereby approved, provided that the Specific Mandate shall be in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which has/have been granted or may from time to time be granted to the GoFintech Directors by the GoFintech Shareholders prior to the passing of this resolution; and

(c) the GoFintech Directors be and are hereby authorised to, on behalf of GoFintech, do all such acts and things, sign and execute (whether under common seal of GoFintech or otherwise) such documents or agreements or deeds and take all such steps and actions as they may in their absolute discretion consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Acquisition and the issuance of the Consideration Shares under the Specific Mandate, and agree to such variation, amendment or waiver as are, in the opinion of the GoFintech Directors, in the interest of GoFintech and the GoFintech Shareholders as a whole.''

By order of the GoFintech Board
**GoFintech Quantum Innovation Limited**
**CHAN Kin Sang**
*Chairman and Independent Non-executive Director*

Hong Kong, 25 June 2025

*Registered office:*
Suite 102, Cannon Place,
P.O. Box 712,
North Sound Rd., George Town,
Grand Cayman, KY1-9006,
Cayman Islands

*Head office and principal place of business in Hong Kong:*
Units No. 4102-06,
41/F, COSCO Tower,
183 Queen's Road Central
Hong Kong

*Notes:*

1. A **white** form of proxy for use at the GoFintech EGM or any adjournment thereof is enclosed. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

2. A member entitled to attend and vote at the GoFintech EGM is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of GoFintech, to vote on his behalf. A proxy need not be a member of GoFintech but must be present in person at the GoFintech EGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of GoFintech Shares in respect of which each such proxy is so appointed.

3. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, at GoFintech's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road North Point, Hong Kong not less than 48 hours before the time appointed for holding the GoFintech EGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the GoFintech EGM or any adjournment thereof, should he/she/it so wish and in such event the form of proxy shall be deemed to be revoked.

4. In order to determine the eligibility of the GoFintech Shareholders to attend and vote at the GoFintech EGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with GoFintech's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration by no later than 4:00 p.m. on Wednesday, 9 July 2025. GoFintech Shareholders whose names appear on the register of members of GoFintech on Wednesday, 9 July 2025 are entitled to attend and vote at the GoFintech EGM.

5. In the case of joint holders of shares, any one of such holders may vote at the GoFintech EGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holder are present at the GoFintech EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of GoFintech in respect of such shares shall alone be entitled to vote in respect thereof.

6. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

7. Pursuant to Rule 13.39(4) of the Listing Rules, the resolution at the GoFintech EGM will be conducted by poll.

8. Where a "black" rainstorm warning is in force or a tropical cyclone warning signal number 8 or above is hoisted or remains hoisted or "extreme conditions" caused by super typhoons is in force at 8:00 a.m. on the date of the GoFintech EGM, the GoFintech EGM will be postponed. GoFintech will publish an announcement on GoFintech's website at www.290.com.hk and the website of Hong Kong Exchanges and Clearing Limited at http://www.hkexnews.hk to notify members of the date, time and place of the rescheduled GoFintech EGM.

*As at the date of this notice, the GoFintech Board consists of one executive Director, namely Ms. SUN Qing; three non-executive Directors, namely Dr. NIE Riming, Mr. LI Chunguang and Mr. HUA Yang; and three independent non-executive Directors, namely Mr. CHAN Kin Sang (Chairman), Mr. CHIU Kung Chik and Ms. LUI Mei Ka.*

# WEALTHINK AI-INNOVATION CAPITAL LIMITED
# 華科智能投資有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1140)**

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the "**Wealthink AI EGM**") of Wealthink AI-Innovation Capital Limited ("**Wealthink AI**") will be held at Room 3910-13, 39/F, COSCO Tower, Grand Millennium Plaza, 183 Queen's Road Central, Hong Kong on Tuesday, 15 July 2025 at 11:00 a.m. (or at any adjournment thereof) for the purpose of considering and, if thought fit, passing the following resolution (with or without modifications) (unless otherwise indicated, capitalised terms used in this notice shall have the same meanings as those defined in the joint circular dated 25 June 2025 issued by GoFintech Quantum Innovation Limited and Wealthink AI (the "**Joint Circular**")):

### ORDINARY RESOLUTION

"**THAT**:

(a) the Sale and Purchase Agreement (as described and defined in the Joint Circular) and the transactions contemplated thereunder, including the Disposal, be and are hereby approved, confirmed and ratified; and

(b) the Wealthink AI Directors be and are hereby authorised to, on behalf of Wealthink AI, do all such acts and things, sign and execute (whether under common seal of Wealthink AI or otherwise) such documents or agreements or deeds and take all such steps and actions as they may in their absolute discretion consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Disposal, and agree to such variation, amendment or waiver as are, in the opinion of the Wealthink AI Directors, in the interest of Wealthink AI and the Wealthink AI Shareholders as a whole."

By order of the Wealthink AI Board
**WEALTHINK AI-INNOVATION CAPITAL LIMITED**
**Wang Qin**
*Chairman*

Hong Kong, 25 June 2025

*Registered office:*
P.O. Box 309,
Ugland House,
Grand Cayman, KY1-1104,
Cayman Islands

*Head office and principal place of business in Hong Kong:*
Room 3910-13, 39/F, COSCO Tower,
Grand Millennium Plaza,
183 Queen's Road Central,
Hong Kong

*Notes:*

1. As set out in the section headed "Special Arrangements for the Wealthink AI EGM" of the joint circular, the Wealthink AI EGM will be a hybrid meeting and the Wealthink AI Independent Shareholders may attend the Wealthink AI EGM in person or via the eVoting Portal. In addition to attending the Wealthink AI EGM in person, the Wealthink AI Independent Shareholders will also be able to exercise their voting rights in one of the following ways: (1) attend the Wealthink AI EGM via the eVoting Portal which enables live streaming and interactive platform for submitting questions and voting online; or (2) appoint the chairman of the Wealthink AI EGM as your proxy to attend and vote on your behalf. Whether or not you intend to attend the Wealthink AI EGM via eVoting Portal, you are requested to complete the form of proxy and return it to Wealthink AI's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the Wealthink AI EGM (i.e. at or before 11:00 a.m. on Sunday, 13 July 2025 (Hong Kong time)) or any adjournment thereof (as the case may be). The completion and return of a form of proxy will not preclude you from attending and voting at the Wealthink AI EGM via eVoting Portal.

2. A **blue** proxy form for use at the Wealthink AI EGM is enclosed herewith.

3. A member of Wealthink AI entitled to attend and vote at the meeting above is entitled to appoint in written form one or, if he is the holder of two or more Wealthink AI Shares, more proxies to attend and vote instead of him. A proxy need not be a member of Wealthink AI.

4. In the case of joint holders of Wealthink AI Shares, any one of such joint holders may vote, either in person or by proxy, in respect of such Wealthink AI Shares as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the above meeting, whether in person or by proxy, then one of the said persons so present whose name stands first on the register in respect of such Wealthink AI Shares shall alone be entitled to vote in respect thereof.

5. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised, and must be deposited with Wealthink AI's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof) not less than 48 hours before the time fixed for holding of the meeting (i.e., at or before 11:00 a.m. on Sunday, 13 July 2025 (Hong Kong time)), or any adjournment thereof.

6. Delivery of an instrument appointing a proxy will not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy will be deemed to be revoked.

7. The register of members of Wealthink AI will be closed from Thursday, 10 July 2025 to Tuesday, 15 July 2025, both days inclusive, for determining shareholders' rights to attend and vote at the Wealthink AI EGM. In order to qualify for attending the above meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with Wealthink AI's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 9 July 2025.

8. This notice has been printed in English and Chinese. In the event of any inconsistency, the English text of this notice shall prevail over its Chinese text.

9. The resolution(s) set out in this notice will be taken by poll at the Wealthink AI EGM.

10. Where a "black" rainstorm warning is in force or a tropical cyclone warning signal number 8 or above is hoisted or remains hoisted or "extreme conditions" caused by super typhoons is in force at 8:00 a.m. on the date of the Wealthink AI EGM, the Wealthink AI EGM will be postponed. Wealthink AI will publish an announcement on Wealthink AI's website at www.1140.com.hk and the website of Hong Kong Exchanges and Clearing Limited at http://www.hkexnews.hk to notify members of the date, time and place of the rescheduled Wealthink AI EGM.

*As at the date of this notice, the Wealthink AI Board comprises four non-executive Directors, namely Dr. Wang Qin, Dr. Fu Weigang, Dr. Wang Shibin and Ms. Sun Qing; and three independent non-executive Directors, namely Mr. Yan Xiaotian, Mr. Zhao Kai and Mr. Yang Songbin.*