

10 August 2025

*To: The independent board committee and the independent shareholders
of Sinohope Technology Holdings Limited*

Dear Sir/Madam,

**CONNECTED TRANSACTIONS
IN RELATION TO
SUBSCRIPTION OF NEW SHARES BY CONNECTED PERSONS**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transaction contemplated under the Subscription Agreement I (“**Subscription I**”) and the transaction contemplated under the Subscription Agreement IV (“**Subscription IV**”, together with the Subscription I, the “**Connected Subscriptions**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 10 August 2025 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 29 June 2025, the Company entered into the Subscription Agreements with five Subscribers respectively (including the Subscription Agreement I with Subscriber I and the Subscription Agreement IV with Subscriber IV), pursuant to which the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for, an aggregate of 166,000,000 Subscription Shares at the Subscription Price of HK\$1.66 per Subscription Share for a total consideration of HK\$275,560,000.

Pursuant to Subscription Agreement I, the Company has conditionally agreed to allot and issue, and Subscriber I has conditionally agreed to subscribe for 54,000,000 Shares at the Subscription Price.

Pursuant to Subscription Agreement IV, the Company has conditionally agreed to allot and issue, and Subscriber IV has conditionally agreed to subscribe for 25,750,000 Shares at the Subscription Price.

With reference to the Board Letter, the Connected Subscriptions constitute connected transactions of the Company under the Listing Rules, which are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Yu Chun Kit, Mr. Yip Wai Ming and Dr. LAM, Lee G., BBS, JP (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Connected Subscriptions are on normal commercial terms and are fair and reasonable; (ii) whether the Connected Subscriptions are conducted in the ordinary and usual course of the business of the Group and are in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolutions to approve the Subscription Agreement I, the Subscription Agreement IV and transactions contemplated thereunder at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as independent financial adviser in respect of the Company's (i) continuing connected transaction as set out in the Company's circular dated 9 August 2024; and (ii) very substantial acquisition and connected transactions as set out in the Company's circular dated 14 March 2025. Save for the aforesaid engagements, there was no other service provided by Gram Capital to the Company relating to any transaction of the Company with executed agreement during the past two years immediately preceding the Latest Practicable Date. Notwithstanding the aforesaid engagements, we were not aware of any relationship or interest between Gram Capital and the Company or any other parties during the past two years immediately preceding the Latest Practicable Date that could be reasonably regarded as a hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

Having considered the above and that (i) none of the circumstances as set out under the Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date; and (ii) the aforesaid past engagement was only independent financial adviser engagement and would not affect our independence to act as the Independent Financial Adviser, we are of the view that we are independent to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Connected Subscriptions. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the 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 the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular 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 therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, the Subscriber I, the Subscriber IV or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Connected Subscriptions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Connected Subscriptions, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the Connected Subscriptions

Information on the Group

With reference to the Board Letter, the Group is principally engaged in the provision of technology solution services, a variety of services in virtual asset ecosystem, such as asset management, trust and custodian businesses and cryptocurrency trading.

Set out below are the consolidated financial information of the Group for the two years ended 30 September 2024 as extracted from the Company's annual report for the year ended 30 September 2024 (the "2024 Annual Report") and the six months ended 31 March 2025 as extracted from the Company's interim report for the six months ended 31 March 2025 (the "2025 Interim Report"):

	For the six months ended 31 March 2025 (<i>unaudited</i>) HK\$'000	For the year ended 30 September 2024 (<i>audited</i>) HK\$'000	For the year ended 30 September 2023 (<i>audited</i>) HK\$'000	Change from FY2022/23 to FY2023/24 %
Revenue from continuing operations	3,455,679	1,569,387	2,833,569	(44.61)
— <i>Cryptocurrency trading business</i>	3,437,756	1,520,345	2,810,576	(45.91)
— <i>Other business</i>	17,923	49,042	22,993	113.29
Gross profit from continuing operations	10,990	44,224	10,389	325.68
Profit/(loss) from continuing operations attributable to owners of the Company	(12,300)	54,322	(275,959)	N/A

As depicted from the table above, the Group's revenue from continuing operations was approximately HK\$1,569.4 million for FY2023/24, representing a decrease of approximately 44.61% as compared to that for FY2022/23, mainly attributable to decrease in the Group's revenue from cryptocurrency trading business. Despite the aforesaid decrease in revenue from continuing operations, the Group's gross profit from continuing operations for FY2023/24 increased by approximately 325.68% as compared to that for FY2022/23. As advised by the Directors, the aforesaid increase in the Group's gross profit was mainly attributable to the Company's enhanced control over transaction cost estimation for each cryptocurrency trade and increase in revenue from other business.

The profit attributable to owners of the Company from continuing operations was approximately HK\$54.3 million for FY2023/24 as compared to loss attributable to owners of the Company from continuing operations of approximately HK\$276.0 million for FY2022/23. With reference to 2024 Annual Report, such turnaround was mainly due to (i) increased gross profit; (ii) increase in fair value gains on cryptocurrencies; (iii) reversal of impairment loss on other assets for FY2023/24; and (iv) decreased administrative expenses.

With reference to 2025 Interim Report, while continuing to adhere to the service principles of security, compliance, professionalism and diversity, for the year ending 30 September 2025, the Group will focus on the core businesses including a variety of services in virtual asset ecosystem, such as asset management, trust and custodian business, cryptocurrency trading, and Web 3 and public chain technology solutions, and develop the quantitative arbitrage business. This provides customers with more professional one-stop virtual asset services experience, establishing a leading profile of the Company in the financial technical services industry of Web3 in Asia-Pacific region and across the globe.

With reference to the Company's circular dated 14 March 2025 and announcement dated 29 May 2025, the Company completed the acquisition of a majority stake in BitTrade Inc. ("BitTrade") on 29 May 2025, a licensed cryptocurrency exchange service provider in Japan, marking its first step toward establishing a compliant exchange presence in the Japanese market.

Information on Subscriber I

With reference to the Board Letter, Subscriber I, a substantial shareholder of the Company holding 170,318,997 Shares (representing approximately 29.07% of the total issued Shares as at the Latest Practicable Date), is a limited company incorporated under the laws of the BVI. Subscriber I is principally engaged in investment holding. As at the Latest Practicable Date, Subscriber I is indirectly wholly owned by Mr. Li, a non-executive Director. Subscriber I is a connected person of the Company.

Information on Subscriber IV

With reference to the Board Letter, Subscriber IV, a company incorporated under the laws of Singapore with limited liability, is primarily engaged in wholesale trading of products and investment holding. Subscriber IV's ultimate beneficial owner is Ms. Zhang, an executive Director. Subscriber IV is a connected person of the Company.

Reasons for and benefits of the Connected Subscriptions and use of proceeds

With reference to the Board Letter:

- (i) The rapid development of the cryptocurrency market has been significantly driven by strong support from policymakers in major countries and regions worldwide. From the approval of Bitcoin and Ethereum spot ETFs in the U.S. and Hong Kong in 2024 to the formal passage of stablecoin bills in the U.S. and Hong Kong this year, the global cryptocurrency market has seen a significant acceleration in its regulatory compliance.
- (ii) To align with this regulatory trend, the Company began expanding into compliant cryptocurrency exchange services in 2024. On 29 May 2025, the Company completed the acquisition of a majority stake in BitTrade, a licensed cryptocurrency exchange service provider in Japan, marking its first step toward establishing a compliant exchange presence in the Japanese market.
- (iii) Beyond Japan, the Company is actively exploring opportunities to establish compliant cryptocurrency exchanges in other global markets. The Company plans to initiate applications for a Virtual Asset Trading Platform (VATP) license in Hong Kong, or to pursue the acquisition of interests in companies holding such licenses. It also intends to seek additional cryptocurrency-related compliance licenses in other countries and regions in the future, aiming to build a secure and compliant Web3 service provider brand.
- (iv) Moreover, on 21 May 2025, the Hong Kong Legislative Council officially passed the "Stablecoins Bill", establishing a licensing regime for fiat-referenced stablecoin issuers. The Stablecoins Ordinance (Cap. 656) subsequently came into effect on 1 August 2025, introducing a mandatory licensing framework under the Hong Kong Monetary Authority. The regulation of cross-border stablecoin activities (such as HKD-referenced stablecoins) upon implementation of the Stablecoins Ordinance demonstrates Hong Kong's intention to play a significant role in the global stablecoin market. As an established player in blockchain technology, the Company has been actively pursuing opportunities in the stablecoin and real-world asset tokenization (RWA) sectors. These compliance initiatives will significantly enhance the Company's core competitive advantages during the high-growth phase of the global cryptocurrency industry, particularly in terms of differentiated

competitiveness within regulatory frameworks. To support its compliance strategy and operations, the Company aims to raise additional capital through the Subscriptions (including the Connected Subscriptions).

- (v) The Subscriptions (including the Connected Subscriptions) demonstrate the Subscribers' confidence in, and commitment to, the Group's long-term development and growth prospects, and will further strengthen the Group's capital base by providing additional funding to support its strategic initiatives.

Financing alternatives

With reference to the Board Letter:

- (i) The Board has evaluated a range of financing alternatives apart from equity or equity-related financing, including debt financing and bank borrowings, to meet the Group's financial requirements. These considerations take into account the Group's financial position, capital structure, as well as the cost of funding.
- (ii) The Board considers equity or equity-related financing to be an important source of funding for the Group, as it reduces the reliance on debt financing, which would otherwise increase the Group's debt gearing ratio and create additional interest paying obligations. In addition, borrowings from financial institutions, particularly banks, often involves lengthy due diligence processes, complex negotiations and potentially less favourable terms when compared to equity-related financing. The terms of the financing facilities available to the Group may depend on the financial institutions' assessment and may require the Company to put up collateral and other securities for such financing facilities. The Group has engaged in discussions with its existing banking partners; however, due to the lack of fixed assets available for collateral, it has limited access to sufficient debt financing.
- (iii) As at 30 June 2025, the Group had outstanding debt obligations of approximately HK\$191 million in respect of BitTrade, which were due for repayment by 1 August 2025 and subsequently extended to 1 October 2025. In view of the tight repayment timeline and the availability of potential investors expressing interest in subscription, the Company considered share subscriptions to be a more expedient and cost-effective option compared to debt-based arrangements or traditional equity financing.
- (iv) Considering the challenges of securing financing from financial institutions as well as the relatively high cost of borrowings, the Company believes that debt financing and bank borrowing are less viable options at this stage. Moreover, due to the elevated financing costs associated with such methods, the Board has decided not to pursue debt-based funding. In addition, with market sentiment currently favourable towards compliant crypto enterprises, the Board aims to secure funding swiftly to

initiate licensing applications and/or potential acquisitions in around August 2025. Accordingly, the Company will focus on equity and equity-related financing as the primary means of generating capital to support its strategic initiatives.

- (v) In evaluating equity financing alternatives, the Board also considered pre-emptive fundraising methods such as rights issue and open offer. However, having regard to, amongst others, the factors as set out under the section headed “Financing alternatives” of the Board Letter, namely, “uncertainty in fundraising outcomes”, “administrative and time complexity” and “higher transaction costs and underwriting risks”, these options were not pursued.

Based on the above factors, we concur with the Directors’ view that the Connected Subscriptions are suitable financing methods for the Company.

Use of proceeds

With reference to the Board Letter, the gross proceeds from the Subscriptions are expected to be approximately HK\$275.6 million (including gross proceeds of HK\$89.64 million from the Subscription I and approximately HK\$42.75 million from the Subscription IV). The net proceeds from the Subscriptions, after deduction of the relevant expenses, are estimated to be approximately HK\$274.6 million (including net proceeds of HK\$89.3 million from the Subscription I (the “**Net Proceeds I**”) and approximately HK\$42.4 million from the Subscription IV (the “**Net Proceeds IV**”)).

With reference to the Board Letter, the intended use of the net proceeds from the Subscriptions will be as follows:

- (a) approximately HK\$127.2 million for the growth and expansion of the Group’s business, specifically for applying for, acquiring and/or upgrading compliance licenses for virtual assets related business in multiple jurisdictions (the “**Proceeds for Growth & Expansion**”);
- (b) HK\$117.0 million for repayment of the Group’s existing indebtedness (the “**Proceeds for Indebtedness Repayment**”); and
- (c) approximately HK\$30.4 million for the Group’s general working capital purposes (the “**Proceeds for Working Capital**”).

With reference to the Board Letter and as confirmed by the Directors, in the event that not all of the Subscription Agreements are completed in full, the Company will allocate and utilise the net proceeds from the Subscriptions within the above proposed uses of proceeds.

Proceeds for Growth & Expansion

We noted further details in respect of the Proceeds for Growth & Expansion as contained in the section headed “I. Funding needs for the business growth and expansion” of the Board Letter, including, amongst others:

- (a) the Company’s anticipation on funding requirements to support Hong Kong VATP license application or acquisition;
- (b) key areas to be covered under Hong Kong VATP license application, including (i) remuneration for research and development personnel for the development of the exchange system; (ii) infrastructure and software expenses for maintaining the trading platform, including server costs and ongoing software subscriptions; (iii) market maker engagement to ensure sufficient platform liquidity; (iv) recruitment of compliance, legal, and operational personnel to meet licensing and ongoing regulatory obligations; and (v) legal and professional fees, including IT audit expenses, to support the licensing application;
- (c) the Company’s preliminary discussions with industry intermediaries to identify potential acquisition targets; and
- (d) allocation of funding to upgrade the Group’s existing Type 1 (dealing in securities) license in Hong Kong and support investments and working capital for applying for or acquiring virtual asset licenses in other jurisdictions.

Proceeds for Indebtedness Repayment

With reference to the Board Letter, BitTrade had an outstanding repayable balance of approximately HK\$191,109,000 due to Avenir Cayman as at 30 June 2025. The outstanding loan bears interest at a fixed annual rate of 2%, with a repayment date of 1 October 2025. As advised by the Directors, save for the Proceeds for Indebtedness Repayment of HK\$117.0 million, BitTrade may also, after considering its internal funding requirements, repay part of the aforesaid indebtedness by its own fund.

Proceeds for Working Capital

With reference to the Board Letter, the Proceeds for Working Capital are expected to be applied for the Group’s general working capital purposes, including corporate-level operations and administration.

Based on the above, the net proceeds from the Subscriptions (including the Net Proceeds I and the Net Proceeds IV) will improve the Group’s financial position and facilitate the Group’s business development.

Having considered (i) reasons for and benefits of the Subscriptions (including the Connected Subscriptions) as mentioned above; (ii) the Connected Subscriptions are suitable financing methods for the Company; and (iii) that the proposed use of the Net Proceeds I and the Net Proceeds IV will improve the Group's financial position and facilitate the Group's business development, we are of the view that although the Connected Subscriptions are not conducted in the ordinary and usual course of business of the Group, they are in the interest of the Company and the Shareholders as a whole.

2. Principal terms of the Connected Subscriptions

Set out below are the summarised terms of the Subscription I and the Subscription IV, details of which are set out under the section headed "THE SUBSCRIPTION AGREEMENTS" of the Board Letter.

Agreement date: 29 June 2025

Parties to Subscription Agreement I: (a) the Company (as the issuer); and

(b) the Subscriber I

Parties to Subscription Agreement IV: (a) the Company (as the issuer); and

(b) the Subscriber IV

Subscription Shares:

Pursuant to Subscription Agreement I, the Company has conditionally agreed to allot and issue, and Subscriber I has conditionally agreed to subscribe for 54,000,000 Shares at the Subscription Price.

Pursuant to Subscription Agreement IV, the Company has conditionally agreed to allot and issue, and Subscriber IV has conditionally agreed to subscribe for 25,750,000 Shares at the Subscription Price.

Subscription Price:

The Subscription Price is HK\$1.66 per Subscription Share, which represents:

- (i) a discount of approximately 61.48% to the closing price of HK\$4.31 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 29.66% to the closing price of HK\$2.36 per Share as quoted on the Stock Exchange on 27 June 2025, being the last trading day prior to the date of the Subscription Agreements (the "Last Trading Day") (the "LTD Discount"); and

- (iii) a discount of approximately 23.85% to the average closing price of approximately HK\$2.18 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to and including the Last Trading Day (the “5 Days Discount”).

With reference to the Board Letter, the Subscription Price was arrived at after arm’s length negotiations between the Company and each of the Subscribers taking into account the factors as set out and elaborated under the section headed “The Subscription Price” of the Board Letter.

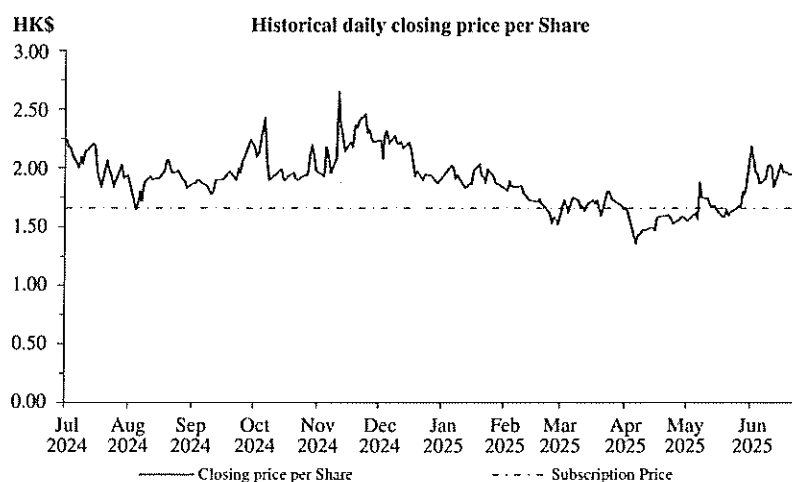
The Subscription Price is the same for each of the Subscriptions.

Analysis on the Subscription Price

In order to assess the fairness and reasonableness of the Subscription Price, we conducted the following analysis:

a) Share price performance

Set out below is a chart showing the movement of the closing prices of the Shares during the period from 2 July 2024 to Last Trading Date, being a period of approximately one year up to and including the Last Trading Date (the “Shares Review Period”), which is a commonly adopted share price review period for analysis and we consider such period to be sufficient and reasonable to illustrate the general trend and level of movement of the closing prices of the Shares:



Source: the Stock Exchange’s website

During the Shares Review Period, the highest and lowest closing prices of Shares as quoted on the Stock Exchange were HK\$2.65 recorded on 12 November 2024 and HK\$1.36 recorded on 7 April 2025 respectively. The Subscription Price falls within the aforesaid closing price range. The Subscription Price is above or equals to the closing price of Shares in only 39 out of 244 trading days during the Share Review Period.

From the start of the Shares Review Period, the closing price of the Shares decreased from HK\$2.25 on 2 July 2024 to HK\$1.66 on 5 August 2024. Thereafter, the closing price of Shares formed a general increasing trend and, after significant surge in early November 2024, reached the highest closing price of HK\$2.65 on 12 November 2024. Subsequently, the closing price of Shares dropped and formed a general downward trend until it reached the lowest closing price of HK\$1.36 on 7 April 2025 (with a significant drop from late March to early April 2025). Thereafter, the closing price of the Shares rebounded and reached HK\$2.36 on the Last Trading Day. As advised by the Directors, the significant Share closing price surge in early November 2024, the significant Share closing price drop from late March to early April 2025 and the Share closing price rebound after 7 April 2025 might be influenced by market response to the then fluctuation (surge/drop) of Bitcoin prices as the Group's business is closely related to cryptocurrencies.

b) Liquidity

Set out below are (i) the number of trading days; (ii) the percentage of the Shares' average daily trading volume (the "Average Volume") as compared to the total number of issued Shares held by the public as at the Last Trading Day; and (iii) the percentage of the Average Volume as compared to the total number of issued Shares as at the Last Trading Day, during the Shares Review Period:

Month	No. of trading days in each month	% of the Average Volume to total number of issued Shares held by the public as at the Last Trading Day (Note 1) %	% of the Average Volume to total number of issued Shares as at the Last Trading Day (Note 2) %
2024			
July	22	0.24	0.10
August	22	0.12	0.05
September	19	0.11	0.05
October	21	0.64	0.27
November	21	2.54	1.09
December	20	0.79	0.34

Month	No. of trading days in each month	% of the Average Volume to total number of issued Shares held by the public as at the Last Trading Day (Note 1) %	% of the Average Volume to total number of issued Shares as at the Last Trading Day (Note 2) %
2025			
January	19	0.34	0.15
February	20	0.62	0.26
March	21	0.54	0.23
April	19	0.18	0.08
May	20	0.70	0.30
June (up to and including the Last Trading Day)	20	2.41	1.03

Source: the Stock Exchange's website

Notes:

1. Based on 250,786,794 Shares held by the other public Shareholders as at the Last Trading Day.
2. Based on 585,932,438 Shares as at the Last Trading Day.

We noted from the above table that the average daily trading volume of the Shares was generally thin during the Shares Review Period. Save for November 2024 and June 2025, the Average Volume was below 1% of the total number of issued Shares held in public hands and the total number of issued Shares as at the Last Trading Day for each month during the Shares Review Period.

Given the generally low liquidity of the Shares as illustrated above, it is reasonable to set the Subscription Price at a discount to the closing price of the Shares as at the Last Trading Day.

c) Comparables

As part of our analysis, we also identified subscription of new shares listed on the Stock Exchange under specific mandate for cash consideration (including connected transactions and transactions with independent third parties (to demonstrate practices under comparable transactions regardless of the identities of counter parties), but excluding transactions involving restructuring and loan capitalisation) which were announced by companies listed on the Main Board of the Stock Exchange, during the

six-month period from 1 January 2025 up to and including the Last Trading Day (the “Comparables”). The review period of six months was adopted to include sufficient Comparables to demonstrate the market practices during a period proximate to the Last Trading Day. We found 7 transactions which met the said criteria and they are exhaustive. Shareholders should note that the businesses, operations and prospects of the Company are not the same as the subject companies of the Comparables.

Company name (Stock code)	Date of announcement	Involving connected transaction?	Premium/(discount) of the subscription price to the average closing price per share for the five consecutive trading days up to and including the last full trading day prior to the date of the agreement in relation to the respective subscription of new shares (%)	Premium/(discount) of the subscription price to the average closing price per share for the five consecutive trading days up to and including the last full trading day prior to the date of the agreement in relation to the respective subscription of new shares (%)	Theoretical dilution effect (%)
China Silver Technology Holdings Limited (515)	7 March 2025	No	23.46	53.37 (Note)	N/A
Acme International Holdings Limited (1870)	17 March 2025	No	(19.77)	(3.50)	(5.15)
ZO Future Group (2309)	11 April 2025	Yes	(19.83)	(18.13)	(0.87)
Kingsoft Cloud Holdings Limited (3896)	17 April 2025	Yes	(8.76)	(16.83)	(0.27)
Universal Health International Group Holding Limited (2211)	13 May 2025	No	(1.23)	2.83	(0.34)
China Health Group Limited (673)	22 May 2025	Yes	(28.57)	(37.19)	(24.23)
Haichang Ocean Park Holdings Ltd. (2255)	2 June 2025	No	(46.43)	(45.26)	(17.92)
Maximum (excluding outlier, if any)			23.46	2.83	(24.23)
Minimum (excluding outlier, if any)			(46.43)	(45.26)	(0.27)
Average (excluding outlier, if any)			(14.45)	(19.68)	(8.13)
Median (excluding outlier, if any)			(19.77)	(17.48)	(3.01)
Connected Subscriptions	27 June 2025		(29.66)	(20.80)	(3.55)

Source: the Stock Exchange's website

Note: The premium as represented by the subscription price of this case was exceptionally high as it was more than two standard deviations away from the mean and was considered as an outlier based on the mean and standard deviation outlier detection method. No other outlier was identified based on the same detection method.

According to the above table, the subscription prices of the Comparables ranged from a discount of approximately 46.43% to a premium of approximately 23.46%, with average discount of approximately 14.45% and median discount of approximately 19.77% to the respective closing prices of the shares on the date of agreement in relation to the respective subscription (which is also the last full trading day prior to entering into relevant agreement) (the “**LTD Discount/Premium Market Range**”). The LTD Discount falls within the LTD Discount/Premium Market Range.

According to the above table, the subscription prices of the Comparables (excluding outlier) ranged from a discount of approximately 45.26% to a premium of approximately 2.83% with average discount of approximately 19.68% and median discount of approximately 17.48% to the respective average closing prices of the shares for the five consecutive trading days up to and including the date of agreement in relation to the respective subscription (which is also the last full trading day prior to entering into relevant agreement) (the “**5 Days Discount/Premium Market Range**”). The 5 Days Discount also falls within the 5 Days Discount/Premium Market Range.

According to the above table, the theoretical dilution effects of the Comparables ranged from approximately 0.27% to approximately 24.23% (the “**Theoretical Dilution Effects Market Range**”). The theoretical dilution effect of the Connected Subscriptions of approximately 3.55% falls within the Theoretical Dilution Effects Market Range and is less than the average of and close to the median of the Comparables.

Despite that the LTD Discount/Premium Market Range and the 5 Days Discount/Premium Market Range are wide, they could provide a reference of the recent market practices of Hong Kong listed companies for comparison.

We noted that (a) the Subscription Price is above or equals to the closing price of Shares in only 39 out of 244 trading days during the Share Review Period; (b) the LTD Discount is deeper than the average and median of the Comparables; and (c) the 5 Days Discount is deeper than the average and median of the Comparables (excluding outlier).

Nevertheless, having considered the following factors, including:

- (i) the LTD Discount falls within the LTD Discount/Premium Market Range;
- (ii) the 5 Days Discount falls within the 5 Days Discount/Premium Market Range;
- (iii) the theoretical dilution effect of the Connected Subscriptions falls within the Theoretical Dilution Effects Market Range and is less than the average of and close to the median of the Comparables;

- (iv) the Subscription Price falls within the closing price range of the Shares during the Shares Review Period;
- (v) the Subscription Price is the same for each of the Subscriptions. In other words, the Subscriber I and the Subscriber IV (being connected persons) subscribe the Subscription Shares at the same price with independent third parties to the Company;
- (vi) given the generally low liquidity of the Shares during the Shares Review Period, it is reasonable to set the Subscription Price at a discount to the closing price of the Shares as at the Last Trading Day,

we are of the view that the Subscription Price is fair and reasonable.

Ranking of the Subscription Shares:

With reference to the Board Letter, the Subscription Shares, when allotted and issued, will rank *pari passu* in all respects among themselves free from all Encumbrance, and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

Having considered the principal terms of the Connected Subscriptions as set out above, we are of the view that the terms of the Connected Subscriptions are on normal commercial terms and are fair and reasonable.

3. Possible dilution effect on the shareholding interests of the public Shareholders

As advised by the Directors, the shareholding interests of the existing public Shareholders would be diluted by approximately 5.13 percentage points immediately after completion of the Connected Subscriptions. Taking into account (i) the aforementioned reasons for and benefits of the Subscriptions (including the Connected Subscriptions); and (ii) the terms of the Connected Subscriptions being fair and reasonable, we are of the view that the aforesaid dilution is acceptable.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Connected Subscriptions are on normal commercial terms and are fair and reasonable; and (ii) although the Connected Subscriptions are not conducted in the ordinary and usual course of business of the Group, they are in the interests of the Group and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Connected Subscriptions and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited



Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 30 years of experience in investment banking industry.