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seazen

新城发展

SEAZEN GROUP LIMITED

新城發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1030)

CONNECTED TRANSACTIONS IN RELATION TO THE DISPOSALS OF SUBSIDIARIES

THE DISPOSALS

On 20 January 2026 (after trading hours), SRCIM (a wholly-owned subsidiary of the Company) entered into the Share Transfer Agreement A and Share Transfer Agreement B with the Purchaser, pursuant to which SRCIM conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the entire issued share capital of the Target Company A and the entire issued share capital Target Company B at the consideration of HK\$25,230,000 and HK\$62,820,000, respectively.

Upon completion of the Disposals, the Target Companies will cease to be the subsidiaries of the Company, and the financial results and assets and liabilities of each of the Target Companies will cease to be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

The Purchaser is indirectly wholly-owned by Ms. Wang Kelly, a sibling of Mr. Wang Xiaosong, who is in turn a non-executive Director and chairman of the Board, and the daughter of Mr. Wang, who is in turn the controlling shareholder of the Company. Accordingly, Ms. Wang Kelly is an associate of each of Mr. Wang Xiaosong and Mr. Wang and hence a connected person of the Company. As a result, the Disposals contemplated under the Share Transfer Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the Share Transfer Agreements shall be aggregated together as these transactions are entered into by the Group with the Purchaser within a 12-month period. As the highest applicable percentage ratio in respect of the Disposals contemplated under the Share Transfer Agreements on an aggregated basis exceeds 0.1% but is less than 5%, they are subject to the reporting and announcement requirements, but are exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

THE DISPOSALS

On 20 January 2026 (after trading hours), SRCIM (a wholly-owned subsidiary of the Company) entered into the Share Transfer Agreement A and Share Transfer Agreement B with the Purchaser, pursuant to which SRCIM conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the entire issued share capital of the Target Company A and the entire issued share capital of the Target Company B at the consideration of HK\$25,230,000 and HK\$62,820,000, respectively.

SHARE TRANSFER AGREEMENT A

Principal terms of the Share Transfer Agreement A are summarized as follows:

Parties:

- (a) The Purchaser, as the purchaser;
- (b) SRCIM, as the vendor; and
- (c) Target Company A

Subject matter:

Pursuant to the Share Transfer Agreement A, SRCIM conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the entire share capital of Target Company A.

Consideration and payment terms:

The Consideration A for the Disposal A (i.e. the disposal of the entire issued share capital of Target Company A) shall be HK\$25,230,000. The Consideration A shall be settled in two installments. The first installment of HK\$3,784,500 (equivalent to 15% of Consideration A) shall be settled by bank transfer within five working days after the execution of the Share Transfer Agreement A. The second installment of HK\$21,445,500 (representing the remaining balance of Consideration A) shall be settled by bank transfer within five working days after the fulfillment of all the conditions precedent for the completion of Disposal A under the Share Transfer Agreement A.

The Consideration A was determined after arm's length negotiation between the Purchaser and SRCIM, with reference to the appraised market value of 100% equity interest in the Target Company A as at 31 December 2025. For further details of the valuation of the Target Company A, please refer to the paragraph headed "Appraised Values under the Valuation Reports and Profit Forecast" in this announcement below.

Conditions precedent:

The completion of Disposal A is conditional upon the fulfilment or waiver by the relevant parties of certain conditions precedent as set out in the Share Transfer Agreement A, including:

- (a) each party having completed all necessary or required company's internal approval and consent for the completion of the Disposal A and which shall remain valid;
- (b) the Disposal A having obtained all necessary consent, approval, waiver or authorization from any relevant government authorities (including but not limited to the Securities and Futures Commission);
- (c) there do not exist and there are no demands from any government authorities or other entities, which to the reasonable opinion of the Purchaser, may revoke, restrict, hinder or prohibit any transactions under the Share Transfer Agreement A or the Target Company A from holding the business licenses and carrying on its principal business;
- (d) the representations and warranties of the vendor in the Share Transfer Agreement A remaining true, accurate, complete and not misleading in all respects from the day of execution of the Share Transfer Agreement A and up to the day of completion; and
- (e) none of the material qualification certificates of Target Company A are being suspended, canceled, modified or revoked, and there is incomplete or anticipated investigation, inquiries or litigation that would lead to the suspension, cancellation, modification or revocation of the material qualification certificates of Target Company A.

Completion of Disposal A shall take place within five working days after the fulfilment of the above conditions precedent. Upon completion of Disposal A, the entire issued share capital of Target Company A and all the rights and benefits arising therefrom shall be transferred to, and enjoyed by, the Purchaser.

Arrangement regarding amount due from shareholder

The parties to the Share Transfer Agreement A agree that the amount due from SRCIM to Target Company A as at 31 December 2025 amounted to HK\$13,249,173. Such amount may change subject to the operation needs of the Target Company A and SRCIM.

The parties to the Share Transfer Agreement A agree that on the date of completion of Disposal A, they shall jointly verify and confirm the amount due from SRCIM to Target Company A as of the date of completion of Disposal A. Save for the payment of such sum by SRCIM to Target Company A in accordance to the terms of the Share Transfer Agreement A, there shall not be any further changes to the amount due from SRCIM to the Target Company A after the completion of Disposal A.

SRCIM shall settle the payment of the entire outstanding balance of the aforesaid amount due from SRCIM to the Target Company A as of the date of completion of Disposal A in one lot by way of bank transfer within three working days after the date of completion of Disposal A.

SHARE TRANSFER AGREEMENT B

Principal terms of the Share Transfer Agreement B are summarized as follows:

Parties:

- (d) The Purchaser, as the purchaser;
- (e) SRCIM, as the vendor; and
- (f) Target Company B

Subject matter:

Pursuant to the Share Transfer Agreement B, SRCIM conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the entire share capital of Target Company B.

Consideration and payment terms:

The Consideration B for the Disposal B (i.e. the disposal of the entire issued share capital of Target Company B) shall be HK\$62,820,000. The Consideration B shall be settled in two installments. The first installment of HK\$9,423,000 (equivalent to 15% of Consideration B) shall be settled by bank transfer within five working days after the execution of the Share Transfer Agreement B. The second installment of HK\$53,397,000 (representing the remaining balance of Consideration B) shall be settled by bank transfer within five working days after the fulfillment of all the conditions precedent for the completion of Disposal B under the Share Transfer Agreement B.

The Consideration B was determined after arm's length negotiation between the Purchaser and SRCIM, with reference to the appraised market value of 100% equity interest in the Target Company B as at 31 December 2025. For further details of the valuation of the Target Company B, please refer to the paragraph headed "Appraised values under the Valuation Reports and profit forecast" in this announcement below.

Conditions precedent:

The completion of Disposal B is conditional upon the fulfilment or waiver by the relevant parties of certain conditions precedent as set out in the Share Transfer Agreement B, including:

- (a) each party having completed all necessary or required company's internal approval and consent for the completion of the Disposal B and which shall remain valid;
- (b) the Disposal B having obtained all necessary consent, approval, waiver or authorization from any relevant government authorities (including but not limited to the Securities and Futures Commission);

- (c) there do not exist and there are no demands from any government authorities or other entities, which to the reasonable opinion of the Purchaser, may revoke, restrict, hinder or prohibit any transactions under the Share Transfer Agreement B or the Target Company B from holding the business licenses and carrying on its principal business;
- (d) the representations and warranties of the vendor in the Share Transfer Agreement B remaining true, accurate, complete and not misleading in all respects from the day of execution of the Share Transfer Agreement B and up to the day of completion; and
- (e) none of the material qualification certificates of Target Company B are being suspended, canceled, modified or revoked, and there is no incomplete or anticipated investigation, inquiries or litigation that would lead to the suspension, cancellation, modification or revocation of the material qualification certificates of Target Company B.

Completion of Disposal B shall take place within five working days after the fulfilment of the above conditions precedent. Upon completion of Disposal B, the entire issued share capital of Target Company B and all the rights and benefits arising therefrom shall be transferred to, and enjoyed by, the Purchaser.

Arrangement regarding amount due from shareholder

The parties to the Share Transfer Agreement B agree that the amount due from SRCIM to Target Company B as at 31 December 2025 amounted to HK\$46,906,085. Such amount may change subject to the operation needs of the Target Company B and SRCIM.

The parties to the Share Transfer Agreement B agree that on the date of completion of Disposal B, they shall jointly verify and confirm the amount due from SRCIM to Target Company B as of the date of completion of Disposal B. Save for the payment of such sum by SRCIM to Target Company B in accordance to the terms of the Share Transfer Agreement B, there shall not be any further changes to the amount due from SRCIM to the Target Company B after the completion of Disposal B.

SRCIM shall settle the payment of the entire outstanding balance of the aforesaid amount due from SRCIM to the Target Company B as of the date of completion of Disposal B in one lot by way of bank transfer within three working days after the date of completion of Disposal B.

APPRAISED VALUES UNDER THE VALUATION REPORTS AND PROFIT FORECAST

The Consideration A and Consideration B respectively were determined with reference to the appraised market value of 100% equity interests in Target Company A and Target Company B as at the Valuation Benchmark Date by the Valuer, which amounted to HK\$25,226,903 and HK\$62,814,984, respectively, as set out in the Valuation Reports.

The Valuer appraised the market value of the entire equity interests of Target Company A and Target Company B respectively by using the discounted cash flow method under the income approach, which is then cross-checked by adopting the adjusted net assets method under the cost approach. Since the income approach was adopted for the Valuations, the Valuations constitute profit forecast under Rule 14.61 of the Listing Rules. This announcement is made by the Company to disclose further details of the profit forecast in relation to the Valuations in compliance with Rule 14.60A of the Listing Rules.

Details of the Valuations under the income approach (and the cost approach as cross-check) and the principal assumptions adopted by the Valuer in relation to the Valuations are set out in Appendix I to this announcement.

Grant Thornton, acting as the reporting accountants of the Company, has performed an assurance engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagement Other Than Audits or Reviews of Historical Financial Information” as issued by the Hong Kong Institute of Certified Public Accountants to obtain reasonable assurance on whether the discounted future estimated cash flows under the income approach on which the Valuations are based, so far as the calculations are concerned, have been properly compiled in accordance with the bases and assumptions on which the discounted future estimated cash flows and the Valuations are prepared.

Grant Thornton reported that the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the assumptions on which the discounted future estimated cash flows and the Valuations are prepared.

The Directors confirm that the Valuations of the entire equity interests of Target Company A and the entire equity interests of Target Company B in the Valuation Reports, which constitutes a profit forecast under Rule 14.61 of the Listing Rules, has been made after due and careful enquiry by the Board.

The letters issued by Grant Thornton and the Board are set out in Appendix II and Appendix III to this announcement, respectively.

Experts and Consents

The qualifications of the experts who have made representations or provided opinions in this announcement are as follows:

Name	Qualification	Date of representation or opinion
Hong Kong Appraisal Advisory Limited	An independent valuer	5 January 2026
Grant Thornton Hong Kong Limited	Certified public accountants	20 January 2026

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, each of the experts, being an Independent Third Party, had no direct or indirect shareholdings in any member of the Group, and had no direct or indirect rights (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of the experts has given and has not withdrawn its written consent to the publication of this announcement with the inclusion herein of its letter, representations and/or opinions and references to its name in the context.

FINANCIAL EFFECT AND USE OF PROCEEDS FROM THE DISPOSALS

Upon completion of the Disposals, each of Target Company A and Target Company B will cease to be a subsidiary of the Company and the financial results and assets and liabilities of each of the Target Company A and Target Company B will cease to be consolidated into the financial statements of the Group.

The Company is expected to recognize an unaudited estimated gain of approximately HK\$10.45 million (equivalent to approximately RMB9.39 million) on a consolidated basis from the Disposals, which represents the difference between the aggregate amount of Consideration A and Consideration B of HK\$88.05 million (equivalent to approximately RMB79.05 million) and the unaudited carrying value of Target Company A and Target Company B of approximately HK\$77.60 million (equivalent to approximately RMB69.66 million) as at the Valuation Benchmark Date as adjusted in accordance with the Company's accounting policy. Shareholders should note that the financial effect shown above is for reference only and the actual amount of gain or loss resulting from the Disposals will eventually be recognised in the consolidated financial statements of the Group.

The proceeds from the Disposals will be used for general working capital purposes of the Company and raising funds for the operation and development of the business of the Group.

INFORMATION OF THE TARGET COMPANIES

Target Company A

Target Company A is a limited liability company incorporated in Hong Kong and a wholly-owned subsidiary of the Company as at the date of this announcement. Target Company A is a licensed corporation under the SFO to conduct type 4 (advising on securities) and type 9 (asset management) regulated activities.

According to the audited financial statements and management accounts of Target Company A, the financial information of Target Company A for the two financial years ended 31 December 2024 and 2025 is set out below:

	Year Ended 31 December 2024 (HK\$)	Year Ended 31 December 2025 (HK\$) (Unaudited)
Revenue	345,943	368,667
Profit/(Loss) before taxation	(5,823,788)	1,474,357
Profit/(Loss) after taxation	(5,458,069)	1,474,357

The unaudited net asset value of Target Company A as at 31 December 2025 was HK\$22,508,069.

Target Company B

Target Company B is a limited liability company incorporated in Hong Kong and a wholly-owned subsidiary of the Company as at the date of this announcement. Target Company B is a licensed corporation under the SFO to conduct type 1 (dealing in securities) regulated activities.

According to the audited financial statements and management accounts of Target Company B, the financial information of Target Company B for the two financial years ended 31 December 2024 and 2025 is set out below:

	Year Ended 31 December 2024 (HK\$)	Year Ended 31 December 2025 (HK\$) (Unaudited)
Revenue	394,148	234,079
Loss before taxation	(1,309,003)	(938,434)
Loss after taxation	(1,309,778)	(938,434)

The unaudited net asset value of Target Company B as at 31 December 2025 was HK\$55,087,702.

INFORMATION OF SRCIM AND THE PURCHASER

SRCIM is a limited liability company incorporated in Hong Kong and a wholly-owned subsidiary of the Company. It primarily engaged in investment holding.

The Purchaser is a limited liability company incorporated in the BVI, which is indirectly wholly-owned by Ms. Wang Kelly. The Purchaser primarily engaged in investment holding.

REASONS FOR AND BENEFITS OF THE DISPOSALS

The Directors believe that the Disposals would enable the Group to achieve resource optimization and streamline the Group's structure, in particular taking into account that the Target Companies did not have substantial business operation and they were as a whole loss-making in the year ended 31 December 2024 and recorded only minimal profit in the year ended 31 December 2025. The Disposals will enable the Group to relocate its financial resources to its principal business operation as a property developer or other future business development.

Taking into account the factors above, each of the Directors (including the independent non-executive Directors but excluding the Director who had abstained from voting on the Board resolutions (as set out below) to approve the Disposals) is of the view that the Disposals and the Share Transfer Agreements are entered into on an arm's length basis, on normal commercial terms and in the usual and ordinary course of business of the Group. The Disposals and the transactions contemplated under the Share Transfer Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, Mr. Wang Xiaosong, the chairman of the Company and a non-executive Director, is a sibling of Ms. Wang Kelly and the son of Mr. Wang, and hence he was considered as having material interests in the transactions under the Share Transfer Agreements and had abstained from voting on the Board resolutions approving the relevant agreements and the transactions contemplated thereunder. Save as mentioned above, none of the other Directors has a material interest in the transactions contemplated under the Share Transfer Agreements, and therefore, no Director had abstained from voting on the approval of the relevant resolutions.

LISTING RULES IMPLICATIONS

The Purchaser is indirectly wholly-owned by Ms. Wang Kelly, a sibling of Mr. Wang Xiaosong, who is in turn a non-executive Director and chairman of the Board, and the daughter of Mr. Wang, who is in turn the controlling shareholder of the Company. Accordingly, Ms. Wang Kelly is an associate of each of Mr. Wang Xiaosong and Mr. Wang and hence a connected person of the Company. As a result, the Disposals contemplated under the Share Transfer Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the Share Transfer Agreements shall be aggregated together as these transactions are entered into by the Group with the Purchaser within a 12-month period. As the highest applicable percentage ratio in respect of the Disposals contemplated under the Share Transfer Agreements on an aggregated basis exceeds 0.1% but is less than 5%, they are subject to the reporting and announcement requirements, but are exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context specifies otherwise, the following defined expressions have the following meanings:

“Board”	the board of Directors
“Company”	Seazen Group Limited (新城發展控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration A”	the consideration for the Disposal A in accordance with the Share Transfer Agreement A, being HK\$25,230,000
“Consideration B”	the consideration for the Disposal B in accordance with the Share Transfer Agreement B, being HK\$62,820,000
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Disposals”	the Disposal A and Disposal B
“Disposal A”	the sale and purchase of the entire issued share capital of the Target Company A by SRCIM to the Purchaser pursuant to the Share Transfer Agreement A
“Disposal B”	the sale and purchase of the entire issued share capital of the Target Company B by SRCIM to the Purchaser pursuant to the Share Transfer Agreement B
“Grant Thornton”	Grant Thornton Hong Kong Limited, the reporting accountants of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“independent third party(ies)”	person(s), or in the case of corporate entity(ies), their ultimate beneficial owner(s), who to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is(are) independent of, and not connected with, the Company and its connected persons

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wang”	Mr. Wang Zhenhua, the controlling shareholder of the Company
“PRC”	The People’s Republic of China
“Purchaser”	Resocore Capital Hong Kong Investments Limited (晉峰資本控股有限公司), a company incorporated in the British Virgin Islands with limited liability which is indirectly wholly-owned by Ms. Wang Kelly
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Share Transfer Agreements”	Share Transfer Agreement A and Share Transfer Agreement B
“Share Transfer Agreement A”	the share transfer agreement dated 20 January 2026 and entered into between the Purchaser, SRCIM and Target Company A, pursuant to which SRCIM agreed to sell, and the Purchaser agreed to purchase, the entire issued share capital of Target Company A at the consideration of HK\$25,230,000
“Share Transfer Agreement B”	the share transfer agreement dated 20 January 2026 and entered into between the Purchaser, SRCIM and Target Company B, pursuant to which SRCIM agreed to sell, and the Purchaser agreed to purchase, the entire issued share capital of Target Company B at the consideration of HK\$62,820,000
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“SRCIM”	Seazen Resources Capital Investment Management Limited (新城晉峰資本投資管理有限公司), a limited liability company incorporated in Hong Kong which is a wholly-owned subsidiary of the Company as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	Target Company A and Target Company B

“Target Company A”	Seazen Resources Asset Management Limited (新城晉峰資產管理有限公司), a limited liability company incorporated in Hong Kong which is a wholly-owned subsidiary of the Company as at the date of this announcement
“Target Company B”	Seazen Resources Securities Limited (新城晉峰證券有限公司), a limited liability company incorporated in Hong Kong which is a wholly-owned subsidiary of the Company as at the date of this announcement
“Valuation Benchmark Date”	31 December 2025
“Valuation Report A”	the valuation report dated 5 January 2026 prepared by the Valuer commissioned by the Company in relation to the entire issued share capital of the Target Company A
“Valuation Report B”	the valuation report dated 5 January 2026 prepared by the Valuer commissioned by the Company in relation to the entire issued share capital of the Target Company B
“Valuation Reports”	Valuation Report A and Valuation Report B
“Valuer”	Hong Kong Appraisal Advisory Limited
“%”	per cent

By Order of the Board
Seazen Group Limited
Wang Xiaosong
Chairman

The PRC, 20 January 2026

As at the date of this announcement, the Directors are Mr. Lv Xiaoping, Mr. Lu Zhongming and Mr. Zhou Fudong as executive Directors, Mr. Wang Xiaosong as non-executive Director, and Mr. Zhu Zengjin, Mr. Zhong Wei and Ms. Wu Ke as independent non-executive Directors.

APPENDIX I – VALUATION CONCLUSIONS AND PRINCIPAL ASSUMPTIONS OF THE VALUATIONS UNDER THE VALUATION REPORTS

Valuation Report A

1. Selection of valuation approach and method

In arriving at the opinion on the market value of the Target Company A as at the Valuation Benchmark Date, the Valuer has considered three generally accepted approaches, namely the Income Approach, Market Approach and Cost Approach.

Given the unique characteristics of the business nature of the Target Company A, the market value of 100% equity interest in the Target Company A is developed through the application of discounted cash flow (“DCF”) method which is a method under the Income Approach. As a cross check, the Adjusted Net Assets Method (the “ANA” Method), which is a method under the Cost Approach, was adopted.

Income approach is the conversion of expected periodic benefits of ownership into an indication of value. Following is a list of the common methods under the *income approach* and their major parameters:

- Conventional discounted cash flow analysis (cash flow forecast, WACC (as defined below), optimal capital structure, terminal value) (the “*DCF method*”);
- Adjusted present value method (all-equity financing base scenario, tax shield, cost of financial distress) (the “*APV method*”); and
- Capitalized earnings/cash flow method (adjusted earnings/cash flows, required rate of return, stabilized growth).

Under the *DCF method*, the forecasted cash flow is discounted back to the Valuation Benchmark Date, resulting in a present value of the asset. The key steps in the *DCF method* are:

- Choose the most appropriate type of cash flow for the nature of the subject asset and the assignment (i.e., pre-tax or post-tax, total cash flows or cash flows to equity, real or nominal, etc),
- Determine the most appropriate explicit period, if any, over which the cash flow will be forecast,
- Prepare cash flow forecasts for that period,
- Determine whether a terminal value is appropriate for the Target Company A at the end of the explicit forecast period (if any) and then determine the appropriate terminal value for the nature of the asset,
- Determine the appropriate discount rate, and
- Apply the discount rate to the forecasted future cash flow, including the terminal value, if any.

FCFF – Free Cash Flow to Firm

The Valuer has discounted the Free Cash Flow to Firm (“FCFF”), that is, cash flows left over after covering capital expenditure and working capital needs, to estimate the enterprise value of the Target Company A. The present value of the sum of FCFF and terminal value is a measure of *market value*.

The FCFF based on *DCF method* discounts the accumulated cash flows to all claimholders in the firm by the weighted average cost of capital (“WACC”). The rationale for the DCF model lies in the present value rule – the value of any asset is the present value of expected future cash flows, discounted at a rate appropriate to the risk of the cash flows not being realized. In applying the *DCF method*, there are three critical inputs: i) supportable cash flow projections, ii) an estimate of the terminal value at the end of the forecast period and iii) an appropriate discount rate by which to revert the cash flows to present value.

Cash flow Projections

The Valuer has adjusted the financial forecast provided by the Management into the cash flow projections by applying the FCFF formula.

Terminal Value

To estimate the terminal value of the Target Company A at the end of the projected period, the Valuer has used the Gordon Growth Model. This model is used to assess the terminal value of firms that are growing at a stable growth rate and relates the value to its expected cash flows in the next time period, the required rate of return and the expected growth rate.

$$\text{Terminal Value} = CF_{n+1}/(r - g)$$

Where:

CF_{n+1} = Expected cash flows one year from *n*th year

r = Required rate of return. (i.e. discount rate)

g = Growth rate perpetual

The Valuer has assumed that the earnings of the Target Company A would reach a stable growth rate of 1.83%, being the long term projected CPI growth rate, sourced from S&P Capital IQ.

Discount Rate Development

The Weighted Average Cost of Capital (“WACC”) was adopted as the discount rate for valuation. It is the required return on the capital investment of the Target Company A. The cost of capital will be different for each source of capital and class of securities. The WACC is the weighted average of the costs of each of the different types of capital, and the weights are proportion of Target Company A’s capital that comes from each source. The WACC of 13.46% was computed using the following formula:

$$WACC = R_e (E/V) + R_d (D/V) (1-T_c)$$

Where:

WACC = weighted average cost of capital

R_e = cost of equity

R_d = cost of debt

E = value of the firm’s equity

D = value of the firm’s debt

V = sum of the values of the firm’s equity and debt

E/V = weight of equity

D/V = weight of debt

T_c = corporate tax rate

I. Cost of Equity

The cost of equity of 8.18% was determined using the Capital Asset Pricing Model (“CAPM”) which describes the relationship between the risk of a particular asset, its market price and the expected return to the investor, that investors required additional return to compensate additional risk associated by the following formula:

$$R_e = R_f + \beta * MRP$$

Where:

R_e = cost of equity

R_f = risk-free rate

β = beta coefficient

MRP = market risk premium

A. R_f

In line with market practice for investments denominated in Renminbi, the yield rate of 10-years Hong Kong government bond of 3.19% was adopted as the risk-free rate (R_f).

B. β

The beta coefficient (β) measures the risk of an asset relative to the overall market. It reflects the sensitivity of an asset's value to economic variables or risks that affect the values of all risky assets, including economic growth rates, interest rates, exchange rates and inflation rates. Beta for the Target Company A was estimated by taking the average of the betas of publicly listed companies similar to the Target Company A (i.e. comparable companies), adjusting for differences in corporate tax rates and leverage compositions.

The betas of the comparable companies were adjusted using a generally accepted formula which is based on the assumption that a security's beta moves toward the market average over time. The unlevered beta was calculated to consider the differences in corporate tax rates and leverage compositions of the comparable companies. The unlevered beta removes the effects of the use of leverage on the capital structure of a firm. Removing the debt component allows an investor to compare the base level of risk between various companies.

The average of the unlevered betas of the comparable companies of 0.67 was then being re-levered to 0.98 with reference to the company specific capital structure of 64.50% equity and 35.50% debt compare to industry.

C. *MRP*

The market risk premium ("MRP") measures the difference between the expected return on an investment in Hong Kong where the Target Company A operates and the risk-free rate. Based on the market risk premium research from Aswath Damodaran, a MRP of 5.10% is adopted.

D. *Small Capitalization Risk Premium*

Small capitalization risk premium is the excess return that an investor would demand in order to compensate for the additional risk over that of the entire stock market when investing in a small capitalization company.

A number of studies were conducted in the U.S. which concludes that the risk premium associated with a small company is over and above the amount that would be warranted just as a result of the Target Company A's systematic risk derived from the CAPM. According to the market capitalization of the Target Company A, a small capitalization risk premium of 5.40% is applicable as at the Valuation Benchmark Date.

E. Company Specific Risk Premium

The company specific risks associated with the Target Company A are ones typically associated with its business development, mainly related to the successful establishment and implementation of the business plan. Take into account the nature of the business operation and the current economic condition, which brings some kind of uncertainty to the Target Company A's future performance, the Valuer is of the opinion that the company specific risk premium of 5.00% should be added in developing the discount rate for the Target Company A.

II. Cost of Debt

The before tax cost of debt of 5.00% is assumed by the Management with reference to the prime lending rate of the HSBC, where the operation of the Target Company A takes place. Since the interest paid on debts are tax-deductible expense for the Target Company A, the actual cost of debt for the Target Company A would be less than the required rate of return of the suppliers of the debt capital. The after-tax cost of debt of 4.18% can be reasonably calculated by multiplying one minus the corporate tax rate of 16.50% by the before tax cost of debt.

III. Capital Structure

The company specific capital structure of 35.50% debt and 64.50% equity compare to industry is adopted for the valuation of market value of the Target Company A.

IV. Discount for Lack of Marketability (DLOM)

The concept of marketability deals with the liquidity of an ownership interest, that is, how quickly and easily it can be converted to cash if the owner chooses to sell. Ownership interests in closely held companies are typically not readily marketable compared to similar interests in public companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly held company. Although the marketability discount is always observed and studied based on minority interest, its impact on the controlling equity interest valuation may be also substantial. In this case, the DLOM of 20.40% is adopted, with reference to "Stout Restricted Stock Study: Companion Guide (2024 Edition)".

Selection of Comparable Companies

The Valuer has searched and chosen comparable companies which have business natures and places of operation similar to that of the Target Company A from S&P. When selecting comparable companies, business nature is the most determinant factor. One of the considerations in determining the comparable companies is that the revenue of these companies is generated from similar businesses carried out by the Target Company A. The Valuer has considered the companies that are related to or engaged in the business of the Target Company A as comparable companies.

Selection Criteria of Comparable Companies

1. The comparable companies shall derive most, if not all, of their revenues from the similar business of the Target Company A;
2. Relevant information about the comparable companies is available and publicly disclosed;
3. Sufficient data, including financial figures, market capitalization can be obtained from S&P and public sources; and
4. Have operations or exposures in the Hong Kong market. After exhaustive searching, the valuer has identified a total of 5 comparable companies for the calculation of unlevered beta listed as follows:

Shortlisted Guideline Publicly-Traded Companies

(1) *GAMCO Investors, Inc. (GAMI US Equity)*

GAMCO Investors, Inc. provides discretionary investment services to a broad spectrum of investors. The company's principal objective is to seek long term capital appreciation primarily through the equity markets by applying its analytical process to management of client portfolios.

(2) *Invesco Ltd. (IVZ US Equity)*

Invesco Ltd. provides investment management services. The company offers equity, fixed income, separate accounts, exchange traded, collective, and balance mutual funds. Invesco serves customers worldwide.

(3) *CMBC Capital Holdings Ltd. (1141 HK Equity)*

CMBC Capital Holdings Limited operates as an investment holding company. The company focuses on investments in various business sectors. CMBC Capital Holdings serves clients in Hong Kong and China.

(4) *Value Partners Group Ltd. (806 HK Equity)*

Value Partners Group Limited is an independent, value oriented asset management group with a focus on China and the Asia-Pacific region. The company's investor base include institutions, corporations, statutory authorities, university endowment funds, charitable foundations, high net worth individuals, and retail investors.

(5) *China Cinda Asset Management Co., Ltd. (1359 HK Equity)*

China Cinda Asset Management Co., Ltd. provides asset management services. The company invests, disposes, and manages non-performing assets and equity. China Cinda Asset Management also provides consulting, investment, financial, and risk management services to individuals and businesses.

Cross check – The Adjusted Net Assets Method

As a cross check, the Valuer relied on the ANA method to estimate the market value of the license. The method is adopted based on the difference between the market value of the Target Company A's assets and its liabilities. Depending on the particular purpose or circumstances underlying the valuation, this method sometimes uses the replacement or liquidation value of the company assets less the liabilities. From a valuation perspective, the Valuer will restate the value of all types of assets of the Target Company A from their book value.

By employing the ANA method in the valuation, the assets of the Target Company A are analyzed, adjusted and appraised individually. The Valuer has adopted the balance sheets and income statements as of Valuation Benchmark Date provided by the Management.

The scope of this method covers all assets and liabilities as shown on the balance sheet of the Target Company A as of Valuation Benchmark Date, the details of which are set out in the following table:

As of 31 December 2025	Book Value	Market Value
<i>CURRENCY</i>	<i>HKD</i>	<i>HKD</i>
CURRENT ASSETS	22,544,687	22,544,687
Cash and Bank	5,807,930	5,807,930
Accounts Receivables	3,487,584	3,487,584
Amount due from the immediate holding company	13,249,173	13,249,173
NON-CURRENT ASSET	–	2,500,000
License	–	2,500,000
TOTAL LIABILITIES	(36,618)	(36,618)
Account and other payables	(36,618)	(36,618)
NET ASSETS	22,508,069	25,008,069

1. Cash and Bank

The Target Company A has cash and bank balance amounted HKD5,807,930 on the book as of the Valuation Benchmark Date. After discussion with the Management, the book value of cash and bank has been adopted as its market value in this valuation.

2. Account Receivable

The Target Company A has account receivable balance amounted HKD3,487,584 on the book as of the Valuation Benchmark Date. After discussion with the Management, the book value of account receivables has been adopted as its market value in this valuation.

3. *Amount due from the Immediate Holding Company*

The Target Company A has amount due from the immediate holding company balance amounted HKD13,249,173 on the book as of the Valuation Benchmark Date. After discussion with the Management, the book value of this item has been adopted as its market value in this valuation.

4. *Account and Other Payable*

The Target Company A has account and other payable balance amounted HKD36,618 on the book as of the Valuation Benchmark Date. After discussion with the Management, the book value of account and other payable has been adopted as its market value in the valuation.

5. *License*

According to the management, the Target Company A holds SFC Type 4 and Type 9 license (“Target Company A License”) which is the core asset of the business of the Target Company A. According to market research and quotation from sources, the reasonable range of SFC Type 4 and Type 9 license price is from HKD1,700,000 to HKD3,300,000 at an average of HKD2,540,000. For the purpose of the valuation, the Valuer has adopted HKD2,500,000 as the market value of the said license.

6. *Cross-check calculation*

Based on the above assumptions, the market value of the Target Company A using the ANA method amounts to HKD25,008,069 (inherent the Target Company A License market value of HKD2,500,000), which is closely aligning with the market value of Target Company A using DCF method amounts to HKD25,226,903 (inherent the Target Company A License market value of HKD2,718,834).

2. Valuation conclusions

Using the discounted cashflow method under the income approach, the Valuer concluded that the market value of the entire equity interests in Target Company A as at 31 December 2025 is HK\$25,226,903.

3. Principal Assumptions

According to the Valuation Report A prepared by the Valuer, details of the major assumptions on which the entire equity interest of Target Company A is based, are set out as follows:

- There will be no major changes in the existing political, legal, fiscal and economic conditions in the Hong Kong in which Target Company A carries on its business;
- There will be no major changes in the current taxation law in the Hong Kong, that the rates of tax payable will remain unchanged and that all applicable laws and regulations will be complied with;

- There will be no material changes in the industry and its sub-industry in which Target Company A involved that would materially affect the revenues, profits and cash flows;
- Exchange rates and interest rates will not differ materially from those presently prevailing;
- The labor market conditions in the Hong Kong will not differ materially from those presently prevailing;
- The Target Company A will retain competent management, key personnel and technical staff to implement its operational plans;
- Industry trends and market conditions for related industries will not deviate significantly from Management's estimation and the Financial Projection;
- The operational plans and the Financial Projection have been prepared on a reasonable basis, reflecting estimates which have been arrived at after due and careful consideration by the Management;
- The Target Company A can keep abreast of the latest technological and regulatory development of the industry such that its competitiveness and profitability can be sustained and improved;
- The availability of finance will not be a constraint on the forecast growth of the Target Company A's operation; and
- The industry quotation data are true and reliable.

Valuation Report B

1. Selection of valuation approach and method

In arriving at the opinion on the market value of the Target Company B as at the Valuation Benchmark Date, the Valuer has considered three generally accepted approaches, namely the Income Approach, Market Approach and Cost Approach.

Given the unique characteristics of the business nature of the Target Company B, the market value of 100% equity interest in the Target Company B is developed through the application of DCF method which is a method under the Income Approach. As a cross check, the ANA method, which is a method under the Cost Approach, was adopted.

Income approach is the conversion of expected periodic benefits of ownership into an indication of value. Following is a list of the common methods under the *income approach* and their major parameters:

- *DCF method*;
- *APV method*; and
- Capitalized earnings/cash flow method (adjusted earnings/cash flows, required rate of return, stabilized growth).

Under the *DCF method*, the forecasted cash flow is discounted back to the Valuation Benchmark Date, resulting in a present value of the asset. The key steps in the *DCF method* are:

- Choose the most appropriate type of cash flow for the nature of the subject asset and the assignment (i.e., pre-tax or post-tax, total cash flows or cash flows to equity, real or nominal, etc),
- Determine the most appropriate explicit period, if any, over which the cash flow will be forecast,
- Prepare cash flow forecasts for that period,
- Determine whether a terminal value is appropriate for the Target Company B at the end of the explicit forecast period (if any) and then determine the appropriate terminal value for the nature of the asset,
- Determine the appropriate discount rate, and
- Apply the discount rate to the forecasted future cash flow, including the terminal value, if any.

FCFF – Free Cash Flow to Firm

The Valuer has discounted the FCFF, that is, cash flows left over after covering capital expenditure and working capital needs, to estimate the enterprise value of the Target Company B. The present value of the sum of FCFF and terminal value is a measure of *market value*.

The FCFF based on *DCF method* discounts the accumulated cash flows to all claimholders in the firm by the WACC. The rationale for the DCF model lies in the present value rule – the value of any asset is the present value of expected future cash flows, discounted at a rate appropriate to the risk of the cash flows not being realized. In applying the *DCF method*, there are three critical inputs: i) supportable cash flow projections, ii) an estimate of the terminal value at the end of the forecast period and iii) an appropriate discount rate by which to revert the cash flows to present value.

Cash flow Projections

The Valuer has adjusted the financial forecast provided by the Management into the cash flow projections by applying the FCFF formula.

According to the management, the Target Company B holds Type 1 license and the value of the Type 1 license is reflected in the high growth rate of the revenue.

Terminal Value

To estimate the terminal value of the Target Company B at the end of the projected period, the Valuer has used the Gordon Growth Model. This model is used to assess the terminal value of firms that are growing at a stable growth rate and relates the value to its expected cash flows in the next time period, the required rate of return and the expected growth rate.

$$\text{Terminal Value} = CF_{n+1}/(r - g)$$

Where:

CF_{n+1} = Expected cash flows one year from n th year

r = Required rate of return. (i.e. discount rate)

g = Growth rate perpetual

The Valuer has assumed that the earnings of the Target Company B would reach a stable growth rate of 1.83%, being the long term projected CPI growth rate, sourced from S&P Capital IQ.

Discount Rate Development

The WACC was adopted as the discount rate for valuation. It is the required return on the capital investment of the Target Company B. The cost of capital will be different for each source of capital and class of securities. The WACC is the weighted average of the costs of each of the different types of capital, and the weights are proportion of Target Company B's capital that comes from each source. The WACC of 13.02% was computed using the following formula:

$$WACC = R_e (E/V) + R_d (D/V) (1-T_c)$$

Where:

WACC = weighted average cost of capital

R_e = cost of equity

R_d = cost of debt

E = value of the firm's equity

D = value of the firm's debt

V = sum of the values of the firm's equity and debt

E/V = weight of equity

D/V = weight of debt

T_c = corporate tax rate

I. Cost of Equity

The cost of equity of 6.72% was determined using the CAPM which describes the relationship between the risk of a particular asset, its market price and the expected return to the investor, that investors required additional return to compensate additional risk associated by the following formula:

$$R_e = R_f + \beta * MRP$$

Where:

R_e = cost of equity

R_f = risk-free rate

β = beta coefficient

MRP = market risk premium

A. R_f

In line with market practice for investments denominated in Renminbi, the yield rate of 10-years Hong Kong government bond of 3.19% was adopted as the risk-free rate (R_f).

B. β

The beta coefficient (β) measures the risk of an asset relative to the overall market. It reflects the sensitivity of an asset's value to economic variables or risks that affect the values of all risky assets, including economic growth rates, interest rates, exchange rates and inflation rates. Beta for the Target Company B was estimated by taking the average of the betas of publicly listed companies similar to the Target Company B (i.e. comparable companies), adjusting for differences in corporate tax rates and leverage compositions.

The betas of the comparable companies were adjusted using a generally accepted formula which is based on the assumption that a security's beta moves toward the market average over time. The unlevered beta was calculated to consider the differences in corporate tax rates and leverage compositions of the comparable companies. The unlevered beta removes the effects of the use of leverage on the capital structure of a firm. Removing the debt component allows an investor to compare the base level of risk between various companies.

The average of the unlevered betas of the comparable companies of 0.50 was then being re-levered to 0.691 with reference to the company specific capital structure of 68.39% equity and 31.61% debt compare to industry.

C. *MRP*

The MRP measures the difference between the expected return on an investment in Hong Kong where the Target Company B operates and the risk-free rate. Based on the market risk premium research from Aswath Damodaran, a MRP of 5.10% is adopted.

D. *Small Capitalization Risk Premium*

Small capitalization risk premium is the excess return that an investor would demand in order to compensate for the additional risk over that of the entire stock market when investing in a small capitalization company.

A number of studies were conducted in the U.S. which concludes that the risk premium associated with a small company is over and above the amount that would be warranted just as a result of the Target Company B's systematic risk derived from the CAPM. According to the market capitalization of the Target Company B, a small capitalization risk premium of 5.40% is applicable as at the Valuation Benchmark Date.

E. Company Specific Risk Premium

The company specific risks associated with the Target Company B are ones typically associated with its business development, mainly related to the successful establishment and implementation of the business plan. Take into account the nature of the business operation and the current economic condition, which brings some kind of uncertainty to the Target Company B's future performance, the Valuer is of the opinion that the company specific risk premium of 5.00% should be added in developing the discount rate for the Target Company B.

II. Cost of Debt

The before tax cost of debt of 5.00% is assumed by the Management with reference to the prime lending rate of the HSBC, where the operation of the Target Company B takes place. Since the interest paid on debts are tax-deductible expense for the Target Company B, the actual cost of debt for the Target Company B would be less than the required rate of return of the suppliers of the debt capital. The after-tax cost of debt of 4.18% can be reasonably calculated by multiplying one minus the corporate tax rate of 16.50% by the before tax cost of debt.

III. Capital Structure

The industry average capital structure of 68.39% equity and 31.61% debt is adopted for the valuation of market value of the Target Company B.

IV. Discount for Lack of Marketability (DLOM)

The concept of marketability deals with the liquidity of an ownership interest, that is, how quickly and easily it can be converted to cash if the owner chooses to sell. Ownership interests in closely held companies are typically not readily marketable compared to similar interests in public companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly held company. Although the marketability discount is always observed and studied based on minority interest, its impact on the controlling equity interest valuation may be also substantial. In this case, the DLOM of 20.40% is adopted, with reference to "Stout Restricted Stock Study: Companion Guide (2024 Edition)".

Selection of Comparable Companies

The Valuer has searched and chosen comparable companies which have business natures and places of operation similar to that of the Target Company B. When selecting comparable companies, business nature is the most determinant factor. One of the considerations in determining the comparable companies is that the revenue of these companies is generated from similar businesses carried out by the Target Company B. The Valuer has considered the companies that are related to or engaged in the business of the Target Company B as comparable companies.

Selection Criteria of Comparable Companies

1. The comparable companies shall derive most, if not all, of their revenues from the similar business of the Target Company B;
2. Relevant information about the comparable companies is available and publicly disclosed;
3. Sufficient data, including financial figures, market capitalization can be obtained from S&P Capital IQ and public sources; and
4. Have operations or exposures in the Hong Kong market. After exhaustive searching, the Valuer has identified a total of 5 comparable companies for the calculation of unlevered beta listed as follows:

Shortlisted Guideline Publicly-Traded Companies

(1) Guotai Junan International Holdings Ltd. (1788 HK Equity)

Guotai Junan International Holdings Ltd. is a securities brokerage house. The company's services include securities and futures dealing and broking services for various financial markets, corporate finance and ECM services, asset and fund management services and financing services such as margin financing and other types of financing.

(2) Arta TechFin Corporation Ltd. (279 HK Equity)

Arta TechFin Corporation Limited operates as a financial service institution. The company enhances applications in finance through the use of technology.

(3) Upbest Group Ltd. (335 HK Equity)

Upbest Group Limited, through its subsidiaries, provides a wide range of financial services including securities broking, margin financing, loan financing, corporate finance advisory, futures broking, and asset management.

(4) Hong Kong ChaoShang Group Ltd. (2322 HK Equity)

Hong Kong ChaoShang Group Limited operates an investment holding company. The company, through its subsidiaries, operates vessel chartering, trading, money lending, factoring, and finance leasing business. Hong Kong ChaoShang Group Limited provides services in Hong Kong.

(5) CSC Financial Co., Ltd. (6066 HK Equity)

CSC Financial Co., Ltd. provides investment management services. The company offers investment banking, wealth management, and trading and institutional client services. CSC Financial conducts its business in Hong Kong.

Cross check – The Adjusted Net Assets Method

As a cross check, the valuer relied on the ANA method to estimate the market value of the license. The method is adopted based on the difference between the market value of the Target Company B's assets and its liabilities. Depending on the particular purpose or circumstances underlying the valuation, this method sometimes uses the replacement or liquidation value of the company assets less the liabilities. From a valuation perspective, the Valuer will restate the value of all types of assets of the Target Company B from their book value.

By employing the ANA method in our valuation, the assets of the Target Company B are analyzed, adjusted and appraised individually. The Valuer has adopted the balance sheets and income statements as of Valuation Benchmark Date provided by the Management.

The scope of this method covers all assets and liabilities as shown on the balance sheet of the Target Company B as of Valuation Benchmark Date, the details of which are set out in the following table:

As of 31 December 2025	Book Value	Market Value
<i>CURRENCY</i>	<i>HKD</i>	<i>HKD</i>
CURRENT ASSETS	62,489,553	62,489,553
Cash and Bank	8,815,789	8,815,789
Accounts Receivables	364,229	364,229
Amount due from the immediate holding company	46,906,085	46,906,085
Client trust bank balances	6,403,450	6,403,450
NON-CURRENT ASSET	712,219	8,212,219
Fixed Assets	7,219	7,219
Other non-current asset	705,000	705,000
License	–	7,500,000
TOTAL LIABILITIES	(8,114,069)	(8,114,069)
Deferred tax liabilities	(13,687)	(13,687)
Account and other payables	(8,100,382)	(8,100,382)
NET ASSETS	55,087,702	62,587,702

1. Cash and Bank

The Target Company B has cash and bank balance amounted HKD8,815,789 on the book as of the Valuation Benchmark Date. After discussion with the Management, the book value of cash and bank has been adopted as its market value in this valuation.

2. *Account Receivable*

The Target Company B has account receivable balance amounted HKD364,229 on the book as of the Valuation Benchmark Date. After discussion with the Management, the book value of account receivables has been adopted as its market value in this valuation.

3. *Amount due from the Immediate Holding Company*

The Target Company B has amount due from the immediate holding company balance amounted HKD46,906,085 on the book as of the Valuation Benchmark Date. After discussion with the Management, the book value of this item has been adopted as its market value in this valuation.

4. *Client Trust Bank Balances*

The Target Company B has client trust bank balances balance amounted HKD6,403,450 on the book as of the Valuation Benchmark Date. After discussion with the Management, the book value of this item has been adopted as its market value in this valuation.

5. *Non-current Asset*

The Target Company B has fixed assets and other non-current asset balance amounted HKD712,219 on the book as of the Valuation Benchmark Date. After discussion with the Management, the book value of this item has been adopted as its market value in this valuation.

6. *Liability*

The Target Company B has account and other payable balance and deferred tax liabilities amounted HKD8,114,069 on the book as of the Valuation Benchmark Date. After discussion with the Management, the book value of liability has been adopted as its market value in this valuation.

7. *License*

According to the management, the Target Company B holds SFC Type 1 license (the “Target Company B License”) which is the core asset of the business of the Target Company B. The Target Company B License also includes the right to be involved in cryptocurrency trading according to the management. According to market research and quotation from sources, the reasonable range of SFC Type 1 license price is from HKD3,200,000 to HKD12,900,000 at an average market value of approximately HKD7,666,667. For the purpose of this valuation, the Valuer has adopted HKD7,500,000 as the market value of the Target Company B License.

8. *Cross-check calculation*

Based on the above assumptions, the market value of the Target Company B using the ANA method amounts to HKD62,587,702 (inherent the Target Company B License market value of HKD7,500,000), which is closely aligning with the market value of the Target Company using DCF method amounts to HKD62,814,984 (inherent the Target Company B License market value of HKD7,727,281).

2. Valuation conclusions

Using the discounted cashflow method under the income approach, the Valuer concluded that the market value of the entire equity interests in Target Company B as at 31 December 2025 is HK\$62,814,984.

3. Principal Assumptions

According to the Valuation Report B prepared by the Valuer, details of the major assumptions on which the entire equity interest of Target Company B is based, are set out as follows:

- There will be no major changes in the existing political, legal, fiscal and economic conditions in the Hong Kong in which Target Company B carries on its business;
- There will be no major changes in the current taxation law in the Hong Kong, that the rates of tax payable will remain unchanged and that all applicable laws and regulations will be complied with;
- There will be no material changes in the industry and its sub-industry in which Target Company B involved that would materially affect the revenues, profits and cash flows;
- Exchange rates and interest rates will not differ materially from those presently prevailing;
- The labor market conditions in the Hong Kong will not differ materially from those presently prevailing;
- The Target Company B will retain competent management, key personnel and technical staff to implement its operational plans;
- Industry trends and market conditions for related industries will not deviate significantly from Management's estimation and the Financial Projection;
- The operational plans and the Financial Projection have been prepared on a reasonable basis, reflecting estimates which have been arrived at after due and careful consideration by the Management;
- The Target Company B can keep abreast of the latest technological and regulatory development of the industry such that its competitiveness and profitability can be sustained and improved;
- The availability of finance will not be a constraint on the forecast growth of the Target Company B's operation; and
- The industry quotation data are true and reliable.

APPENDIX II – LETTER FROM GRANT THORNTON

The following is the text of a report from the Company's reporting accountants, Grant Thornton, for inclusion in this announcement.

Dear Sirs,

Independent Assurance Report on the Calculations of Discounted Future Estimated Cash flows in Connection with the Valuations of the Entire Equity Interest in the Target Companies

We have examined the calculations of the discounted future estimated cash flows on which the business valuations dated 5 January 2026 prepared by Hong Kong Appraisal Advisory Limited in respect of the appraisals of the respective fair value of Seazen Resources Securities Limited and Seazen Resources Asset Management Limited (the "Target Companies") as at 31 December 2025 (the "Valuations"). The Valuations, were prepared in connection with the proposed disposal of 100% equity interest in the Target Companies by Seazen Group Limited (the "Company") as set out in the announcement of the Company dated 20 January 2026 (the "Announcement"). The Valuations based on the discounted future estimated cash flows are regarded as profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Directors' Responsibilities

The directors of the Company (the "Directors") are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the Directors and as set out in Appendix 1 of the Announcement (the "Assumptions"). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuations and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

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 Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Review of Financial Statements, or Other Assurance or Related Services Engagements", 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

It is our responsibility, as required by Rule 14.60A(2) of the Listing Rules, to express an opinion on the calculations of the discounted future estimated cash flows on which the Valuations are based and to report solely to you, as a body, and for no other purpose. We are not reporting on the appropriateness and validity of the Assumptions on which the discounted future estimated cash flows are based and our work does not constitute any Valuations of the Target Companies. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our work in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" as issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled in accordance with the Assumptions.

The discounted future estimated cash flows do not involve the adoption of accounting policies. The discounted future estimated cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuations and the variation may be material. We have not reviewed, considered or conducted any work on the appropriateness and validity of the Assumptions on which the discounted future estimated cash flows are based and do not express any opinion whatsoever thereon.

Opinion

Based on the foregoing, in our opinion, so far as the calculations are concerned, the discounted future estimated cash flows have been properly compiled, in all material respects, in accordance with the Assumptions determined by the directors.

Grant Thornton Hong Kong Limited
Certified Public Accountants

Hong Kong
20 January 2026

APPENDIX III – LETTER FROM THE BOARD IN RELATION TO THE PROFIT FORECAST

20 January 2026

Listing Division
The Stock Exchange of Hong Kong Limited
12th Floor, Two Exchange Square
8 Connaught Place, Central, Hong Kong

Dear Sirs,

CONNECTED TRANSACTIONS IN RELATION TO THE DISPOSALS OF SUBSIDIARIES

We refer to the announcement of Seazen Group Limited (the “Company”) dated 20 January 2026 in relation to the captioned transactions (the “Announcement”). Unless the context otherwise requires, terms defined in the announcement shall have the same meanings in this letter when used herein.

We refer to (i) the Valuation Report A dated 5 January 2026 prepared by Hong Kong Appraisal Advisory Limited (the “Independent Valuer”), an independent valuer, which shows that the appraised market value of the entire equity interest in Target Company A is approximately HK\$25,226,903 based on the discounted cashflow method under the income approach; (ii) the Valuation Report B dated 5 January 2026 prepared by the Independent Valuer, which shows that the appraised market value of the entire equity interest in Target Company B is approximately HK\$62,814,984 based on the discounted cashflow method under the income approach. The aforesaid valuations of the Target Company A and Target Company B (the “Valuations”) are deemed as profit forecasts under Rule 14.61 of the Listing Rules (the “Forecasts”).

We hereby confirm that we have considered various aspects including the bases and assumptions based upon which the discounted cash flows in the Valuations have been prepared, and reviewed the Valuations for which the Independent Valuer is responsible. We have also reviewed the calculations for the discounted cash flows in the Valuation Reports. We have also considered the report from Grant Thornton, the auditor of the Company, as set out in Appendix II to the Announcement regarding the calculations of the discounted cash flows in the Valuations upon which the Forecasts have been made.

On the basis of the foregoing, in accordance with the requirements of the Listing Rules, we confirmed that the Forecasts have been made after due and careful enquiry by us.

Yours faithfully,
For and on behalf of the Board
Seazen Group Limited
LV Xiaoping
Chief Executive Officer and Executive Director