THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **Metaspacex Limited**, you should at once hand this Response Document to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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Metaspacex Limited
中國數智科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1796)

RESPONSE DOCUMENT RELATING TO CONDITIONAL VOLUNTARY CASH PARTIAL OFFER BY RAINBOW CAPITAL (HK) LIMITED FOR AND ON BEHALF OF CHAN YUEN TUNG TO ACQUIRE 15,800,000 SHARES IN METASPACEX LIMITED (OTHER THAN THOSE ALREADY OWNED BY CHAN YUEN TUNG AND PARTIES ACTING IN CONCERT WITH HIM)

Financial Adviser to Metaspacex Limited

红日资本有限公司
RED SUN CAPITAL LIMITED

Independent Financial Adviser to the Independent Board Committee of Metaspacex Limited

MESSIS 大有融資

Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed "DEFINITIONS" in this Response Document, unless the context requires otherwise. A letter from the Board is set out on pages 6 to 13 of this Response Document.

A letter from the Independent Board Committee containing its recommendation to the Qualifying Shareholders is set out on pages 14 to 15 of this Response Document. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Partial Offer is set out on pages 16 to 36 of this Response Document.

1 June 2026

CONTENTS

Page

EXPECTED TIMETABLE ii

DEFINITIONS 1

LETTER FROM THE BOARD 6

LETTER FROM THE INDEPENDENT BOARD COMMITTEE 14

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER 16

APPENDIX I — FINANCIAL INFORMATION OF THE GROUP 37

APPENDIX II — GENERAL INFORMATION OF THE GROUP 41

The timetable set out below is principally extracted from the Offer Document issued by the Offeror dated 18 May 2026, and is subject to any changes as may be announced by the Offeror. Unless otherwise expressly stated, all time and date references below refer to Hong Kong time and dates.

2026

Despatch date of the Offer Document and the Form of Acceptance and commencement date of the Partial Offer *(Note 1)* . . . . . Monday, 18 May

Latest time for posting of the Offeree Document *(Note 2)* . . . . . Monday, 1 June

Latest time and date for acceptance of the Partial Offer on the First Closing Date *(Notes 2 and 3)* . . . . . 4:00 p.m. on Friday, 3 July

Announcement of the results of the Partial Offer as at the First Closing Date (or its extension or revision, if any) to be posted on the website of the Stock Exchange *(Note 5)* . . . . . no later than 7:00 p.m. on Friday, 3 July

Latest time and date for acceptance of the Partial Offer assuming the Partial Offer becomes or is declared unconditional on the First Closing Date (i.e. the Final Closing Date) *(Note 4)*. . . . . no later than 4:00 p.m. on Friday, 17 July

Announcement of the results of the Partial Offer as at the Final Closing Date to be posted on the website of the Stock Exchange *(Note 5)* . . . . . no later than 7:00 p.m. on Friday, 17 July

Latest time by which the Partial Offer can be declared unconditional as to acceptances *(Note 7)* . . . . . Friday, 17 July

Designated agent starts to stand in the market to provide matching services for sale and purchase of odd lots holdings of Shares . . . . . 9:00 a.m. on Monday, 20 July

Latest date for posting of remittances for amounts due in respect of valid acceptances received under the Partial Offer on the Final Closing Date *(Note 6)*. . . . . 4:00 p.m. on Tuesday, 28 July

2026

Latest time and date for despatch of share certificate(s) and/or any transfer receipt(s) and other document(s) of title for Shares tendered but not taken up or share certificate(s) in respect of the balance of such Shares ..... 4:00 p.m. on Tuesday, 28 July

Designated agent ceases to stand in the market to provide matching services for sale and purchase of odd lots holdings of Shares ..... no later than 4:00 p.m. on Friday, 28 August

Notes:

1. The Partial Offer is open for acceptance on and from Monday, 18 May 2026, being the date of posting of the Offer Document, until 4:00 p.m. on the Closing Date, i.e. the later of the First Closing Date on Friday, 3 July 2026 or the date falling 14 days after the Partial Offer becomes or is declared unconditional in all respects, or if the Partial Offer is extended, any subsequent Closing Date as extended and announced by the Offeror in accordance with the Takeovers Code.

2. In accordance with the Takeovers Code, the Offeree is required to post the Offeree Document to the Shareholders no later than 14 days after the date of the Offer Document, unless the Executive consents to a later date and the Offeror agrees to extend the First Closing Date by the number of days, if appropriate, in respect of which the delay in the posting of the Offeree Document is agreed.

3. In accordance with the Takeovers Code, where the Offeree Document is posted after the date of the Offer Document, the Partial Offer must be open for acceptance for at least 28 days after the date of the Offer Document. Any revision or extension of the Partial Offer will be subject to the permission of the Executive in accordance with the Takeovers Code. The Offeror will issue an announcement in relation to any revision or extension of the Partial Offer, which will state the next Closing Date.

4. The Offeror has the right, subject to the Takeovers Code, to extend the Partial Offer until such date as it may determine or as permitted by the Executive, in accordance with the Takeovers Code. Pursuant to Rule 28.4 of the Takeovers Code: (a) if on a Closing Date acceptances received equal or exceed the precise number of Shares stated in the Offer Document, the Offeror must declare the Partial Offer unconditional as to acceptances and extend the Final Closing Date to the 14th day thereafter and the Offeror cannot further extend the Final Closing Date; (b) if the acceptance condition is fulfilled during the period between the Despatch Date and the date which is 14 days before the First Closing Date, the Offeror must declare the Partial Offer unconditional as to acceptances on the day the acceptance condition is met, provided that the Partial Offer would remain open for acceptance for not less than 14 days thereafter, and the Offeror cannot extend the First Closing Date and the Final Closing Date would be on the First Closing Date; or (c) if the acceptance condition is fulfilled within the 14-day period before the First Closing Date, the Partial Offer would remain open for acceptance for not less than 14 days after the Partial Offer is declared unconditional as to acceptance (i.e. the Final Closing Date). The Offeror will make an announcement when the Partial Offer becomes unconditional in all respects.

5. The announcement will comply with the disclosure requirements under Rule 19.1 and Note 7 to Rule 19 of the Takeovers Code and will include, among other things, the results of the Partial Offer and details of the way in which the pro-rata entitlement for each accepting Shareholder was determined.

6. Subject to the Partial Offer becoming unconditional, remittances in respect of the consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares tendered under the Partial Offer will be posted by ordinary post to the accepting Shareholders at their own risk as soon as possible but in any event no later than seven (7) business days (as defined under the Takeovers Code) after the Final Closing Date.

7. In accordance with the Takeovers Code, except with the consent of the Executive, the Partial Offer may not become or be declared unconditional as to acceptances after 7:00 p.m. on the 60th day after the date of the Offer Document. Accordingly, unless the Partial Offer has previously become or is declared unconditional as to acceptances, the Partial Offer will lapse after 7:00 p.m. on Friday, 17 July 2026, which is the 60th day after the posting of the Offer Document, unless extended with the consent of the Executive. If the Partial Offer does not become, or is not declared, unconditional within the time permitted by the Takeovers Code, the share certificate(s) and/or transfer receipt(s) received by the Receiving Agent will be returned to the accepting Shareholders in accordance with Rule 20.2 of the Takeovers Code.

8. If there is a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning (as issued by the Hong Kong Observatory) in force, or "extreme conditions" warning (as announced by the Hong Kong Government) is in force in Hong Kong:

   (a) at any local time before 12:00 noon but no longer in force at or after 12:00 noon on the latest date for acceptance of the Partial Offer and the latest date for despatch of remittances for the amounts due under the Partial Offer in respect of valid acceptances, the latest time for acceptance of the Partial Offer will remain at 4:00 p.m. on the same business day and the latest date for despatch of remittances will remain on the same business day; or

   (b) at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Partial Offer and the latest date for posting of remittances for the amounts due under the Partial Offer in respect of valid acceptances, the latest time for acceptance of the Partial Offer will be rescheduled to 4:00 p.m., and the latest date for the posting of remittances will be rescheduled to, the following business day which does not have either of those warnings in force at or after 12:00 noon.

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

In this Response Document, unless the context otherwise requires, the following expressions shall have the following meaning:

"6M2024"	the six months ended 30 September 2024
"6M2025"	the six months ended 30 September 2025
"acting in concert"	having the meaning ascribed thereto under the Takeovers Code
"Announcement"	the announcement dated 27 April 2026 issued by the Offeror in respect of the Partial Offer
"associate(s)"	having the meaning ascribed thereto under the Listing Rules or the Takeovers Code, where the context requires
"Board"	the board of Directors
"Business Day"	a day on which the Stock Exchange is open for the transaction of business
"Closing Date"	the First Closing Date of the Partial Offer or any subsequent closing date of the Partial Offer as may be extended or revised in accordance with the Takeovers Code
"Company" or "Offeree"	Metaspacex Limited (中國數智科技集團有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange with stock code 1796
"Condition"	the condition to which the Partial Offer is subject, as set out in the section headed "THE PARTIAL OFFER – Condition to the Partial Offer" in the Offer Document
"Despatch Date"	18 May 2026, the date of despatch of the Offer Document to the Shareholders as required by the Takeovers Code
"Director(s)"	director(s) of the Company
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director

"Final Closing Date"	the date which is (i) the 14th day after the date on which the Partial Offer is declared unconditional as to acceptances; or (ii) the First Closing Date, whichever is the later, provided that the Partial Offer will be open for acceptance for at least 28 days following the Despatch Date
"First Closing Date"	3 July 2026 (or such earlier date), being the first closing day of the Partial Offer, which shall be 14 days after the Partial Offer is declared unconditional as to acceptances and at least 28 days following the Despatch Date of the Offer Document
"Form of Acceptance"	the form of acceptance and transfer in respect of the Partial Offer accompanying the Offer Document
"FY2023"	the financial year ended 31 March 2023
"FY2024"	the financial year ended 31 March 2024
"FY2025"	the financial year ended 31 March 2025
"Group" or "Offeree Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent board committee of the Company, comprising all independent non-executive Directors, namely, Mr. Cheng Pak Lam, Ms. Ya Li and Ms. Chen Yan, which was established by the Board for the purpose of advising the Qualifying Shareholders on the Partial Offer and in particular as to whether the Partial Offer is, or is not, fair and reasonable and as to the acceptance of the Partial Offer
"Independent Financial Adviser" or "Messis Capital"	Messis Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee on the Partial Offer and in particular as to whether the Partial Offer is, or is not, fair and reasonable and as to the acceptance of the Partial Offer

"Last Trading Day"	9 April 2026, being the last trading day on which the Shares were traded on the Main Board of the Stock Exchange prior to the publication of the Announcement
"Latest Practicable Date"	29 May 2026, being the latest practicable date prior to the printing of this Response Document for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified from time to time)
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
"Offer Document"	the offer document issued by the Offeror (accompanied by the Form of Acceptance) on 18 May 2026 to all the Shareholders in connection with the Partial Offer in accordance with the requirements of the Takeovers Code
"Offer Period"	the period commencing from 27 April 2026 following the publication of the Announcement on the same day and ending on the Final Closing Date (or such other date on which the Partial Offer is lapsed, withdrawn or extended in accordance with the Takeovers Code)
"Offer Price"	HK$0.33 per Offer Share in cash
"Offer Share(s)"	the Share(s) to be purchased by the Offeror from the Qualifying Shareholders under the Partial Offer, being 15,800,000 Shares held by the Qualifying Shareholders which are subject to the Partial Offer
"Offeror"	Mr. Chan Yuen Tung
"Overseas Shareholder(s)"	Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong

"Partial Offer"	the conditional voluntary cash partial offer made by Rainbow Capital for and on behalf of the Offeror to acquire 15,800,000 Shares (other than those already owned by the Offeror and parties acting in concert with him) at the Offer Price in cash from the Qualifying Shareholders in accordance with the Takeovers Code on the basis as set out in the Offer Document and accompanying Form of Acceptance
"PRC"	The People's Republic of China, which, for the purpose of this Response Document, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Pre-Condition"	the pre-condition to the making of the Partial Offer, as set out in the section headed "THE PARTIAL OFFER – Pre Condition to the Partial Offer" in the Offer Document, which has been fulfilled on 5 May 2026
"Qualifying Shareholders" or "Independent Shareholders"	Shareholder(s) other than the Offeror and parties acting in concert with him
"Rainbow Capital"	Rainbow Capital (HK) Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, being the financial adviser to the Offeror in respect of the Partial Offer
"Receiving Agent"	Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, being the receiving agent of the Offeror with respect to the Partial Offer
"Registrar"	Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, being the branch share registrar and transfer office of the Offeree in Hong Kong
"Relevant Period"	the period commencing from 27 October 2025, being the date falling six months immediately preceding 27 April 2026, being the date of commencement of the Offer Period, up to and including the Latest Practicable Date
"Relevant Securities"	has the meaning ascribed to it under Note 4 to Rule 22 of the Takeovers Code

"Response Document" or "Offeree Document"	this response document regarding the Partial Offer despatched by the Company to the Shareholders in accordance with the Takeovers Code containing, among other things, details of the Partial Offer and the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.01 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent

Metaspacex Limited
中國數智科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1796)

Executive Directors:
Mr. Kang Ruipeng *(Chief Executive Officer)*
Mr. Deng Houhua
Mr. Zhang Mingmin

Independent non-executive Directors:
Mr. Cheng Pak Lam
Ms. Ya Li
Ms. Chen Yan

Registered office in the Cayman Islands:
Cricket Square Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of business in Hong Kong:
29th Floor, BEA Harbour View Centre
56 Gloucester Road
Wanchai, Hong Kong

1 June 2026

To the Qualifying Shareholders

Dear Sir/Madam,

RESPONSE DOCUMENT RELATING TO CONDITIONAL VOLUNTARY CASH PARTIAL OFFER BY RAINBOW CAPITAL (HK) LIMITED FOR AND ON BEHALF OF CHAN YUEN TUNG TO ACQUIRE 15,800,000 SHARES IN METASPACEX LIMITED (OTHER THAN THOSE ALREADY OWNED BY CHAN YUEN TUNG AND PARTIES ACTING IN CONCERT WITH HIM)

INTRODUCTION

On 20 April 2026 (after trading hours of the Stock Exchange), the Offeror notified the Offeree that he has firm intention to make the Partial Offer (in compliance with the Takeovers Code) to acquire 15,800,000 Offer Shares (representing approximately 3.29% of the Offeree's issued share capital as at the Latest Practicable Date) not already owned by the Offeror and parties acting in concert with him at the Offer Price of HK$0.33 per Offer Share.

The making of the Partial Offer was subject to the satisfaction of the Pre-Condition, being the obtaining of consent from the Executive in respect of the Partial Offer pursuant to Rule 28.1 of the Takeovers Code. On 5 May 2026, the Offeror announced that the Pre-Condition had been satisfied.

The purpose of this Response Document is to provide you with, among other things, information relating to the Group and the Partial Offer, the recommendation of the Independent Board Committee to the Independent Shareholders regarding the Partial Offer, and the advice of the Independent Financial Adviser to the Independent Board Committee on the Partial Offer. You are advised to read this Response Document, the recommendation of the Board, the recommendation of the Independent Board Committee and the advice from the Independent Financial Adviser carefully before taking any action in respect of the Partial Offer.

THE PARTIAL OFFER

The terms of the Partial Offer are set out in the Offer Document and the Form of Acceptance. You are recommended to refer to the Offer Document and the Form of Acceptance for further details.

Principal terms of the Partial Offer

The Partial Offer is made by Rainbow Capital, for and on behalf of the Offeror, in compliance with the Takeovers Code on the basis set out below:

For each Offer Share . . . . . HK$0.33 in cash

The Offer Price of HK$0.33 per Share was determined after taking into account, among other things, the historical closing prices of the Shares prior to the Last Trading Day.

The Partial Offer is extended to all Qualifying Shareholders in accordance with the requirements of the Takeovers Code.

Further details of the Partial Offer including, among others, the expected timetable, the conditions, terms and procedures of acceptance of the Partial Offer, are set out in the Offer Document, the Form of Acceptance and further announcements made or to be made by the Offeror (if applicable).

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

Pre-Condition to the Partial Offer

As disclosed in the Announcement, the making of the Partial Offer was subject to the obtaining of consent from the Executive in respect of the Partial Offer pursuant to Rule 28.1 of the Takeovers Code. As disclosed in the announcement of the Offeror dated 5 May 2026 in relation to the update on the Partial Offer, the Offeror announced that the Pre-Condition had been satisfied on 5 May 2026.

Condition to the Partial Offer

The Partial Offer is subject to the Condition that valid acceptances being received (and not, where permitted, withdrawn) in respect of not less than 15,800,000 Offer Shares at or before 4:00 p.m. (Hong Kong time) on the First Closing Date which shall be at least 28 days following the Despatch Date of the Offer Document issued by the Offeror in respect of the Partial Offer, or such later date as may be announced by the Offeror in accordance with the requirements of the Takeovers Code.

In the event that valid acceptances are received:

(i) for less than the required number of 15,800,000 Offer Shares by the First Closing Date, unless the First Closing Date is extended in accordance with the requirements of the Takeovers Code, the Partial Offer will not proceed and will lapse immediately; or

(ii) for not less than the required number of 15,800,000 Offer Shares on or before the First Closing Date, the Offeror will declare the Partial Offer unconditional as to acceptances on or before the First Closing Date.

Pursuant to Rule 15.1 of the Takeovers Code, where the offeree board circular is posted after the date of the Offer Document, the Partial Offer must initially be open for acceptance for at least 28 days following the Despatch Date.

Pursuant to Rule 15.3 of the Takeovers Code, where a conditional offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptance for not less than 14 days thereafter. Pursuant to Rule 28.4 of the Takeovers Code, if the acceptance condition is fulfilled before the First Closing Date, the Offeror must declare the Partial Offer unconditional as to acceptances on the day the acceptance condition is met, provided that the Partial Offer would remain open for acceptance for not less than 14 days thereafter. The Offeror cannot extend the Final Closing Date to a day beyond the 14th day after the First Closing Date stated in the Offer Document.

Accordingly, if the Partial Offer is declared unconditional in all respects during the period between the Despatch Date and the date which is 14 days before the First Closing Date, then the Final Closing Date would be on the First Closing Date. If the Partial Offer is declared unconditional in all respects within the 14th day period before the First Closing Date, the Final Closing Date would be 14 days after the date of such declaration.

The Offeror will issue an announcement in relation to the revision, extension or lapse of the Partial Offer or the fulfilment of the Condition in accordance with the Takeovers Code and the Listing Rules. The latest time on which the Offeror can declare the Partial Offer unconditional in all respects is 7:00 p.m. on the 60th day after the Despatch Date (or such later date to which the Executive may consent).

WARNING: Shareholders and potential investors of the Offeree should note that the Partial Offer is subject to the satisfaction of the Condition. Accordingly, the Partial Offer may or may not become unconditional and will lapse if it does not become unconditional. Shareholders and potential investors of the Offeree are advised to exercise caution when dealing in the securities of the Offeree. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

CONFIRMATION NOT TO ACCEPT THE PARTIAL OFFER

As at the Latest Practicable Date, Mr. Zhang Mingmin held 426,000 Shares, representing approximately 0.09% of the issued share capital of the Company. Mr. Zhang Mingmin has given written confirmation to the Company, pursuant to which he will not, whether directly or indirectly, from the Latest Practicable Date until the close of the Partial Offer, tender or otherwise make any of the Shares available for acceptance under the Partial Offer.

SHAREHOLDING STRUCTURE OF THE OFFEREE COMPANY AND EFFECT OF THE PARTIAL OFFER

Assuming that there will be no change to the issued share capital of the Offeree and no other change to the shareholding structure of the Offeree between the Latest Practicable Date and up to the Final Closing Date, and all Qualifying Shareholders tender 100% of their Shares for acceptance under the Partial Offer, the shareholding structure of the Offeree, as at the Latest Practicable Date and immediately upon completion of the Partial Offer, is set out below:

Shareholders	**As at the Latest Practicable Date**		**Immediately upon the completion of the Partial Offer**	
	Number of Shares	*%*	*Number of Shares*	*%*
Controlling shareholder				
China Sports Asset Management Co., Limited *(Note 1)*	255,860,000	53.30%	247,430,460	51.55%
Director				
Zhang Mingmin *(Note 2)*	426,000	0.09%	426,000	0.09%
Public Shareholders				
The Offeror *(Note 3)* and his concert parties	–	–	15,800,000	3.29%
Other public Shareholders	223,714,000	46.61%	216,343,540	45.07%
Total	**480,000,000**	**100.00**	**480,000,000**	**100.00**

Notes:

1. As at the Latest Practicable Date, Ms. Huang Hou directly held 100% control of China Sports Asset Management Co., Limited, which beneficially holds 255,860,000 Shares.

2. Mr. Zhang Mingmin has given written confirmation not to accept the Partial Offer to the Company.

3. As at the Latest Practicable Date, the Offeror and parties acting in concert with him do not hold any Shares.

As at the Latest Practicable Date, the Company had no outstanding securities, options, derivatives or warrants which are convertible or exchangeable into Shares and the Company has no other Relevant Securities.

INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands as an exempted company with limited liability, the Shares of which have been listed on the Stock Exchange since December 2018. The Company is principally engaged in the provision of fitting-out services such as ceiling, metal and glass works as well as installation of built-in furniture, timber flooring, kitchen cabinetries and timber doors for residential and commercial new buildings. In addition, the Company is also engaged in the supply of fitting-out materials includes timber products and others.

Your attention is drawn to Appendix I and Appendix II to this Response Document which contain financial and general information of the Group, respectively.

INFORMATION ON THE OFFEROR

With reference to the Offer Document, the Offeror, Mr. Chan Yuen Tung, aged 58, is a retired merchant. He graduated with a bachelor's degree in Computer Engineering from The University of Hong Kong in 1992. Mr. Chan has enormous experience in manufacturing industries in the mainland China, property development and investment in both the property and stock market in Hong Kong. From October 1995 to February 1999, Mr. Chan was appointed as an executive director of DC Finance (Holdings) Limited, whose shares were listed on the Stock Exchange until December 2020. Since 2000, Mr. Chan has been participating in the investment in the manufacturing industries in the PRC. He was appointed as a member of Mudanjiang Committee of the Chinese People's Political Consultative Conference in 2005 and became a member of the standing committee of Mudanjiang Committee of the Chinese People's Political Consultative Conference in 2006. He was also appointed as a member of Heilongjiang Province Committee of the Chinese People's Political Consultative Conference in 2007. From 29 October 2007 to February 2012, Mr. Chan served as the chairman and an executive director of China Zenith Chemical Group Limited (stock code: 362), whose shares are listed on the Stock Exchange.

REASONS FOR THE PARTIAL OFFER

With reference to the Offer Document, the Offeror has noted that the Offeree intends to expand into the global smart robotics industry by developing a new business focused on Open Claw next-generation open smart gripping actuators as disclosed in the announcements of the Offeree dated 24 March 2026. The Offeree plans to invest an aggregate amount of approximately HK$500,000,000 over the next three financial years to support the development of this new business.

However, subsequent to the issue of the Offer Document on 18 May 2026, the Company announced on 21 May 2026 that, having considered the significant decline in the Share price and uncertainties in fundraising activities, the Board resolved not to proceed with the New Business and that the approved investment budget of HK$500 million would be cancelled. The Company further confirmed that it had not entered into any legally binding agreement nor invested any amount in relation to the New Business and that the termination would not have any material impact on its financial position or existing operations.

With reference to the Offer Document, the Offeror has also noted that the Offeree also announced on 17 December 2025 that it had entered into a strategic cooperation memorandum with Guangzhou Xinglun Safety Industry Co., Limited ("**Guangzhou Xinglun**") for the development of Industrial Internet of Things, research of industrial software, and actual project implementation, specific area of cooperation includes the application of industrial computing power and artificial intelligence. A new subsidiary was formed with Guangzhou Xinglun by the Offeree on 13 February 2026. The Offeror is optimistic about the prospects of these potential new business and commitments and is impressed by the short to long term development targets of the Offeree for these new business, which may provide opportunities of capital appreciation in long run.

With reference to the Offer Document, the Offeror considers that the Offeree is in a sound and stable financial position, as evidenced by its net assets value and net current assets of approximately HK$72.8 million and HK$139.6 million respectively as at 30 September 2025.

With reference to the Offer Document, the Offeror has also observed a significant decline in the trading price of the Shares, which decreased from the 2026 year high closing price of HK$3.57 per Share on 16 January 2026 to HK$0.66 per Share as at the Last Trading Day. In light of the limited liquidity in the secondary market for the Shares, the Offeror considers that the Partial Offer represents a strategic opportunity to acquire a sizeable equity stake of the Offeree at an attractive valuation, which would otherwise be difficult to achieve through on-market acquisitions.

The Board has noted the statements in the Offer Document regarding the Offeror's intentions in respect of the Company. As disclosed in the Offer Document, the Offeror is optimistic about the prospects of the Group's proposed expansion into the smart robotics industry and considers the Partial Offer to represent a strategic investment opportunity. The Offer Document does not indicate any intention to introduce major changes to the existing principal businesses of the Group.

The Board also notes that the Offer Document does not contain any specific statement regarding the Offeror's intentions in respect of the employees of the Group.

As at the Latest Practicable Date, the Board has not been provided with any detailed plan by the Offeror regarding any material restructuring of the Group, any material change to the existing business operations, or any change to the employment arrangements of the Group's employees. The Board will closely monitor any future developments and will act in the best interests of the Company and its Shareholders as a whole.

NO COMPULSORY ACQUISITION

The Offeror will not have the power of compulsory acquisition of any Offer Shares outstanding and not acquired under the Partial Offer after the close of the Partial Offer.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee, comprising all independent non-executive Directors, being Mr. Cheng Pak Lam, Ms. Ya Li and Ms. Chen Yan, was formed to give advice to the Independent Shareholders as to whether the Partial Offer is fair and reasonable and whether the Partial Offer is in the interests of the Independent Shareholders and as to the acceptance of the Partial Offer.

The Independent Board Committee has appointed Messis Capital, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Partial Offer and, in particular, as to whether the Partial Offer is fair and reasonable and as to the acceptance of the Partial Offer. The appointment of Messis Capital as the Independent Financial Adviser has been approved by the Independent Board Committee in accordance with Rule 2.1 of the Takeovers Code. The letter of advice from the Independent Financial Adviser in respect of the Partial Offer and the recommendations to the Independent Board Committee is included in this Response Document.

The Qualifying Shareholders are strongly advised to consider carefully the information contained in the "Letter from the Board", the "Letter from the Independent Board Committee" and the "Letter from Independent Financial Adviser" as set out in this Response Document and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Partial Offer.

RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 14 to 15 of this Response Document which contains its recommendation to the Independent Shareholders in respect of the Partial Offer; and (ii) the letter from the Independent Financial Adviser set out on pages 16 to 36 of this Response Document which contains its advice to the Independent Board Committee in connection with the Partial Offer, as well as the principal factors and reasons considered by it in arriving at its recommendation. Independent Shareholders should read these letters in conjunction with the Offer Document carefully before taking any action in respect of the Partial Offer.

Having considered the terms of the Partial Offer and the advice from the Independent Financial Adviser as set out in the letter from the Independent Financial Adviser, the Independent Board Committee considers that the Partial Offer is **NOT** fair and reasonable so far as the Independent Shareholders are concerned and accordingly recommends the Independent Shareholders **NOT** to accept the Partial Offer.

The executive Directors concur with the views of the Independent Board Committee and the Independent Financial Adviser and are of the view that the Partial Offer is **NOT** fair and reasonable so far as the Independent Shareholders are concerned and accordingly recommend the Independent Shareholders **NOT** to accept the Partial Offer.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this Response Document. You are also recommended to read carefully the Offer Document and the accompanying Form of Acceptance for further details in respect of the procedures for acceptance of the Partial Offer.

By order of the Board
Metaspacex Limited
Kang Ruipeng
Chief Executive Officer and Executive Director

Metaspacex Limited
中國數智科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1796)

1 June 2026

To the Qualifying Shareholders

Dear Sir/Madam,

CONDITIONAL VOLUNTARY CASH PARTIAL OFFER BY RAINBOW CAPITAL (HK) LIMITED FOR AND ON BEHALF OF CHAN YUEN TUNG TO ACQUIRE 15,800,000 SHARES IN METASPACEX LIMITED (OTHER THAN THOSE ALREADY OWNED BY CHAN YUEN TUNG AND PARTIES ACTING IN CONCERT WITH HIM)

We refer to the offeree board circular dated 1 June 2026 issued by the Company in response to the Partial Offer (the "**Response Document**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Response Document unless the context requires otherwise.

We, being the independent non-executive Directors, have been appointed to form the Independent Board Committee to consider the terms of the Partial Offer and to advise you as to whether, in our opinion, the Partial Offer is fair and reasonable so far as your interests are concerned and to make recommendation as to the acceptance of the Partial Offer. The Independent Financial Adviser has been appointed with our approval to advise us in this respect. Details of its advice and the principal factors which it has considered before arriving its advice and recommendation are set out in the letter from the Independent Financial Adviser on pages 16 to 36 of the Response Document.

We also wish to draw your attention to the letter from the Board, the letter from the Independent Financial Adviser and the additional information set out in the appendices to the Response Document.

Having considered the terms of the Partial Offer and the advice from the Independent Financial Adviser, we concur with the Independent Financial Adviser's advice and consider that the Partial Offer is **NOT** fair and reasonable so far as the Independent Shareholders are concerned and accordingly recommend the Independent Shareholders **NOT** to accept the Partial Offer.

Yours faithfully,
Independent Board Committee
Metaspacex Limited

Mr. Cheng Pak Lam	**Ms. Ya Li**	**Ms. Chen Yan**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

The following is the full text of the letter from the Independent Financial Adviser which sets out its advice to the Independent Board Committee in respect of the Partial Offer for inclusion in this Response Document.

MESSIS 大有融資

Unit B, 15/F, Crawford Tower
99 Jervois Street
Sheung Wan, Hong Kong

1 June 2026

To: The Independent Board Committee of Metaspacex Limited

Dear Sirs,

CONDITIONAL VOLUNTARY CASH PARTIAL OFFER BY RAINBOW CAPITAL (HK) LIMITED FOR AND ON BEHALF OF CHAN YUEN TUNG TO ACQUIRE 15,800,000 SHARES IN METASPACEX LIMITED (OTHER THAN THOSE ALREADY OWNED BY MR. CHAN YUEN TUNG AND PARTIES ACTING IN CONCERT WITH HIM)

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee in relation to the Partial Offer. Details of the Partial Offer are set out in the response document issued by the Company dated 1 June 2026 (the "**Response Document**"), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Response Document unless the context requires otherwise.

On 20 April 2026 (after trading hours of the Stock Exchange), the Offeror notified the Offeree that he has firm intention to make the Partial Offer (in compliance with the Takeovers Code) to acquire 15,800,000 Offer Shares (representing approximately 3.29% of the Offeree's issued share capital as at the Latest Practicable Date) not already owned by the Offeror and parties acting in concert with him at the Offer Price of HK$0.33 per Offer Share.

The making of the Partial Offer was subject to the satisfaction of the Pre-Condition, being the obtaining of consent from the Executive in respect of the Partial Offer pursuant to Rule 28.1 of the Takeovers Code. On 5 May 2026, the Offeror announced that the Pre-Condition had been satisfied.

To the best knowledge of the Directors, as at the Latest Practicable Date, none of the Offeror or parties acting in concert with him had dealt in any Shares, options, derivatives, warrants or other relevant securities of the Offeree and the Offeror and parties acting in concert with him were not interested directly or indirectly in any voting rights or rights over any Shares, convertible securities, warrants or options or derivatives of the Offeree.

As at the Latest Practicable Date, the Offeree has 480,000,000 Shares in issue and does not have any outstanding options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Shares, nor has it entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Cheng Pak Lam, Ms. Ya Li and Ms. Chen Yan, has been established to advise the Qualifying Shareholders as to whether the Partial Offer is fair and reasonable and as to acceptance of this Partial Offer.

Messis Capital Limited has been appointed by the Board with the approval of the Independent Board Committee as the Independent Financial Adviser to advise the Independent Board Committee in the same regard.

OUR INDEPENDENCE

As at the Latest Practicable Date, we were independent from and not connected with the Company, the Offeror and its concert parties and their respective shareholders, directors or chief executives, or any of their respective associates. Accordingly, we are qualified to give independent advice to the Independent Board Committee regarding the Partial Offer.

In the last two years, save for this appointment, we have not acted as the financial adviser or independent financial adviser of the Company. Apart from normal professional fees paid or payable to us in connection with this current appointment in relation to the Partial Offer, no arrangements exist whereby we have received or will receive any fees or benefits from the Group or any other parties that could reasonably be regarded as relevant to our independence. In addition, having considered that (i) we are not a direct party to the Partial Offer; (ii) remuneration for our independent financial adviser engagement in relation to the Partial Offer is fixed and at market level, and is not conditional upon the outcome of the Partial Offer; (iii) no arrangement exists whereby we shall receive any fees or benefits from the Company (other than our said remuneration) or the Offeror, their respective controlling shareholders or any parties acting in concert with any of them; and (iv) our engagement is on normal commercial terms and approved by the Independent Board Committee, we are independent of the Company and the Offeror, their respective controlling shareholders and any parties acting in concert with any of them, we consider ourselves independent to act as the independent financial adviser to the Independent Board Committee in respect of the Partial Offer pursuant to Rule 2 of the Takeovers Code.

BASIS OF OUR OPINION AND RECOMMENDATION

In formulating our advice, we have relied on the statements, information, opinions and representations contained or referred to in the Offer Document dated 18 May 2026 and the Response Document and the information and representations provided to us by the Group, the Directors and/or management of the Company (the "**Management**"). We have assumed that all information, representations and opinions contained or referred to in the Offer Document or Response Document or made, given or provided to us by the Company, the Directors and the Management, for which they are solely and wholly responsible, were true and accurate and complete in all material respects at the time when they were made and continue to be so as at the Latest Practicable Date. We have assumed that all the opinions and representations made by the Directors in the Response Document have been reasonably made after due and careful enquiry. The Directors and the Management confirmed that no material facts have been omitted from the information provided and referred to in the Response Document. 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. The Company will notify the Qualifying Shareholders of any material changes to information contained or referred to in the Response Document as soon as practicable in accordance with Rule 9.1 of the Takeovers Code. The Qualifying Shareholders will also be informed as soon as practicable when there is any material changes to the information contained or referred to this letter as well as changes to our opinion, advice and/or recommendation, the information and representations provided and made to us and the information contained in this letter, if any, after the Latest Practicable Date as soon as possible in compliance with Rule 9.1 of the Takeovers Code.

We have not, however, carried out any independent verification of the information provided, nor have we conducted any independent investigation into the financial position, business and affairs of the Group and, where applicable, their respective shareholder(s) and subsidiaries or affiliates, and their respective history, experience and track records, or the prospects of the markets in which they respectively operate.

We consider that we have been provided with sufficient information to enable us to reach an informed view and to provide a reasonable basis for our advice. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions and representations provided to us by the Group, the Directors and/or the Management and their respective advisers or to believe that material information has been withheld or omitted from the information provided to us or referred to in the aforesaid documents.

We have not considered the tax and regulatory implications on the Qualifying Shareholders of acceptance or non-acceptance of the Partial Offer since these depend on their individual circumstances. In particular, the Qualifying Shareholders who are resident overseas or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax positions, and if in any doubt, should consult their own professional adviser.

This letter is issued to the Independent Board Committee solely for their consideration in respect of the Partial Offer, and except for its inclusion in the Response Document, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent. In the event of inconsistency, the English text of this letter shall prevail over the Chinese translation of this letter.

PRINCIPAL TERMS OF THE PARTIAL OFFER

The Partial Offer is made by Rainbow Capital, for and on behalf of the Offeror, in compliance with the Takeovers Code on the basis set out below:

For each Offer Share . . . . . HK$0.33 in cash

The Offer Price of HK$0.33 per Share was determined after taking into account, among other things, the historical closing prices of the Shares prior to the Last Trading Day.

The Partial Offer is extended to all Qualifying Shareholders in accordance with the requirements of the Takeovers Code.

Pre-Condition to the Partial Offer

As disclosed in the Announcement, the making of the Partial Offer was subject to the obtaining of consent from the Executive in respect of the Partial Offer pursuant to Rule 28.1 of the Takeovers Code. As disclosed in the announcement of the Offeror dated 5 May 2026 in relation to the update on the Partial Offer, the Offeror announced that the Pre-Condition had been satisfied on 5 May 2026.

Condition to the Partial Offer The Partial Offer is subject to the Condition that valid acceptances being received (and not, where permitted, withdrawn) in respect of not less than 15,800,000 Offer Shares at or before 4:00 p.m. (Hong Kong time) on the First Closing Date which shall be at least 28 days following the Despatch Date of this Offer Document issued by the Offeror in respect of the Partial Offer, or such later date as may be announced by the Offeror in accordance with the requirements of the Takeovers Code.

In the event that valid acceptances are received:

(i) for less than the required number of 15,800,000 Offer Shares by the First Closing Date, unless the First Closing Date is extended in accordance with the requirements of the Takeovers Code, the Partial Offer will not proceed and will lapse immediately; or

(ii) for not less than the required number of 15,800,000 Offer Shares on or before the First Closing Date, the Offeror will declare the Partial Offer unconditional as to acceptances on or before the First Closing Date.

Pursuant to Rule 15.1 of the Takeovers Code, where the offeree board circular is posted after the date of this Offer Document, the Partial Offer must initially be open for acceptance for at least 28 days following the Despatch Date.

Pursuant to Rule 15.3 of the Takeovers Code, where a conditional offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptance for not less than 14 days thereafter. Pursuant to Rule 28.4 of the Takeovers Code, if the acceptance condition is fulfilled before the First Closing Date, the Offeror must declare the Partial Offer unconditional as to acceptances on the day the acceptance condition is met, provided that the Partial Offer would remain open for acceptance for not less than 14 days thereafter. The Offeror cannot extend the Final Closing Date to a day beyond the 14th day after the First Closing Date stated in this Offer Document.

Accordingly, if the Partial Offer is declared unconditional in all respects during the period between the Despatch Date and the date which is 14 days before the First Closing Date, then the Final Closing Date would be on the First Closing Date. If the Partial Offer is declared unconditional in all respects within the 14th day period before the First Closing Date, the Final Closing Date would be 14 days after the date of such declaration.

The Offeror will issue an announcement in relation to the revision, extension or lapse of the Partial Offer or the fulfilment of the Condition in accordance with the Takeovers Code and the Listing Rules. The latest time on which the Offeror can declare the Partial Offer unconditional in all respects is 7:00 p.m. on the 60th day after the Despatch Date (or such later date to which the Executive may consent).

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation, we have taken into consideration the following principal factors and reasons:

1. Financial information of the Group and outlook

1.1 Historical financial information of the Group

The Group is principally engaged in the provision of fitting-out services such as ceiling, metal and glass works as well as installation of built-in furniture, timber flooring, kitchen cabinetries and timber doors for residential and commercial new buildings. In addition, the Company is also engaged in the supply of fitting-out materials includes timber products and others.

Set out below is a summary of the financial information of the Group for the two years ended 31 March 2024 and 2025 as extracted from the annual report of the Group for the year ended 31 March 2025 (the "**2025 Annual Report**") and the six months ended 30 September 2024 and 2025 as extracted from the interim report of the Group for the six months ended 30 September 2025 (the "**2025 Interim Report**"), respectively:

Extraction of the consolidated statements of profit or loss and other comprehensive income of the Group

	For the six months ended 30 September		**For the year ended 31 March**	
	2025	**2024**	**2025**	**2024**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited)	(unaudited)	(audited)	(audited)
Revenue	110,113	138,496	263,927	460,270
Cost of sales	(105,033)	(133,261)	(258,405)	(440,021)
Gross profit	5,080	5,235	5,522	20,249
Loss before income tax	(3,746)	(10,465)	(32,183)	(4,439)
Loss for the period/year attributable to owners of the Company	**(3,746)**	**(10,465)**	**(32,183)**	**(4,439)**

*Financial performance for the six months ended 30 September 2024 ("**6M2024**") and the six months ended 30 September 2025 ("**6M2025**")*

Based on the 2025 Interim Report, revenue of the Group decreased by approximately 20.5% from approximately HK$138.5 million for 6M2024 to approximately HK$110.1 million for 6M2025. Such decrease was primarily due to the projects with relatively larger contract value undertaken by the Company for property developers in Hong Kong having been substantially completed and there is a decrease in sizeable projects available in the market during the 6M2025.

The gross profit of the Group decreased from approximately HK$5.2 million for 6M2024 to approximately HK$5.1 million for 6M2025, representing a decrease of approximately 3.0%. The gross profit margin of the Group increased from approximately 3.8% for 6M2024 to approximately 4.6% for 6M2025. Such increase in gross profit margin was primarily attributable to the stringent costs control in 6M2025.

The loss for the period attributable to owners of the Company decreased from approximately HK$10.5 million for 6M2024 to approximately HK$3.7 million for 6M2025, which was principally resulted from (i) the decrease in gross profit of the Group as discussed above; (ii) the Company recorded fair value changes on held-for-trading investments of approximately HK$2.8 million for 6M2025 but nil for 6M2024; and (iii) the decrease in administrative and other operating expenses of approximately HK$4.5 million.

*Financial performance for the year ended 31 March 2024 ("**FY2024**") and the year ended 31 March 2025 ("**FY2025**")*

As set out in the 2025 Annual Report, the Group recorded revenue of approximately HK$263.9 million for FY2025, representing a decrease of approximately HK$196.3 million or 42.7% as compared to approximately HK$460.3 million for FY2024. The decrease in revenue was primarily due to the decrease in the number of projects with relatively larger contract value undertaken by the Company for property developers in Hong Kong in the intense market competition during FY2025.

The gross profit of the Group decreased from approximately HK$20.2 million for FY2024 to approximately HK$5.5 million for FY2025, representing a decrease of approximately HK$14.7 million or 72.7%. The gross profit margin of the Group decreased from 4.4% for FY2024 to approximately 2.1% for FY2025, which was primarily attributable to intensified market competition during FY2025 as the result of more competitive tender pricing and a change in project mix with relatively lower margin contribution.

The loss for the period attributable to owners of the Company significantly increased by approximately 625.0% from approximately HK$4.4 million for FY2024 to approximately HK$32.2 million for FY2025, which was principally resulted from (i) the decrease in gross profit of the Group as discussed above; (ii) the increase in administrative and other operating expenses of approximately HK$2.4 million in FY2025; and (iii) the increase in provision for expected credit losses allowance on trade and other receivables and contract assets, net of approximately HK$11.2 million.

Extraction of the consolidated statements of financial position of the Group

	As at 30 September 2025	**As at 31 March**	
		2025	**2024**
	HK$'000 (unaudited)	*HK$'000* (audited)	*HK$'000* (audited)
Non-current assets	1,160	1,625	934
Current assets	166,251	163,449	204,702
Total assets	**167,411**	**165,074**	**205,636**
Non-current liabilities	67,903	63,313	46
Current liabilities	26,694	25,201	96,847
Total liabilities	**94,597**	**88,514**	**96,893**
Net assets	**72,814**	**76,560**	**108,743**

Financial position as at 30 September 2025 and 31 March 2025

Total assets of the Group amounted to approximately HK$167.4 million as at 30 September 2025, which is broadly in line with the total assets of the approximately HK$165.1 million as at 31 March 2025. The total assets of the Group as at 30 September 2025 mainly comprised (i) contract assets of approximately HK$98.6 million; (ii) cash and bank balance of approximately HK$44.3 million; and (iii) trade and other receivables of approximately HK$17.7 million.

Total liabilities of the Group amounted to approximately HK$94.6 million as at 30 September 2025, which mainly consisted of (i) bank borrowings of approximately HK$53.9 million; (ii) trade and other payables of approximately HK$17.5 million; and (iii) interest payables of approximately HK$12.8 million.

The equity attributable to owners of the Company amounted to approximately HK$72.8 million as at 30 September 2025, which is lower than the equity attributable to owners of the Company of approximately HK$76.6 million as at 31 March 2025. The decrease in the equity attributable to owners of the Company was mainly attributable to the loss for 6M2025 of approximately HK$3.7 million.

Financial position as at 31 March 2025 and 31 March 2024

Total assets of the Group decreased from approximately HK$205.6 million as at 31 March 2024 to approximately HK$165.1 million as at 31 March 2025. The total assets of the Group as at 31 March 2025 mainly comprised (i) contract assets of approximately HK$94.8 million; (ii) cash and bank balances of approximately HK$43.1 million; and (iii) trade and other receivables of approximately HK$25.5 million.

Total liabilities of the Group decreased from approximately HK$96.9 million as at 31 March 2024 to approximately HK$88.5 million as at 31 March 2025. The total liabilities of the Group as at 31 March 2025 mainly consisted of (i) borrowings of approximately HK$50.9 million; (ii) trade and other payables of approximately HK$15.1 million; and (iii) interest payables of approximately HK$10.8 million.

The equity attributable to owners of the Company amounted to approximately HK$76.6 million as at 31 March 2025, which is lower than the equity attributable to owners of the Company of approximately HK$108.7 million as at 31 March 2024. The decrease in the total equity attributable to owners of the Company was mainly attributable to the loss for FY2025 of approximately HK$32.2 million.

1.2 Historical dividend of the Group

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

According to the Offer Document, if, after the Latest Practicable Date and up to the Final Closing Date, any dividend and distributions is declared in respect of the Offer Shares and the record date of which falls on or before the Final Closing Date, the Offeror reserves the right to reduce the Offer Price by an amount equal to the amount of such dividend or distributions declared, made or paid in respect of each Offer Share, in which case any reference in this Offer Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced.

1.3 Outlook and prospects of the Group

As stated in the interim report of the Group for 6M2025, the Group's sources of revenue are categorised as residential and non-residential fitting-out services. During 6M2025, the Group's revenue amounted to approximately HK$110.1 million, as compared to approximately HK$138.5 million for 6M2024. The decrease was primarily attributable to the declined number of projects in the market. However, due to the stringent costs control in response to the challenging business environment, the Group's gross profit margin increased by 0.8% from 3.8% in 6M2024 to 4.6% in 6M2025.

Looking forward, we note management's view that Hong Kong's economy is expected to maintain steady but moderated growth in 2026, with annual GDP growth projected at approximately 2.5% to 3.5%. While the fitting-out sector remains subject to competitive pressures and market uncertainties, including fluctuations in property market sentiment and project pipelines, we consider that a stabilising macroeconomic environment and continued government support for infrastructure and industry development may provide a more supportive backdrop for the sector.

We also note the Group's intention to continue exercising prudent cost management, strengthen its project selection and tendering strategies, and enhance execution capabilities in order to safeguard margins. In addition, the Group is exploring potential opportunities in emerging sectors such as the Web3.0 industry and the new energy industry. These sectors are generally consistent with the Hong Kong Government's policy initiatives to promote innovation and technology development and the PRC's broader policy emphasis on digital economy development and renewable energy transition. Although these initiatives are at a relatively preliminary stage and their contribution to the Group's financial performance remains subject to various uncertainties, they may, if successfully implemented, broaden the Group's business scope and diversify its revenue streams over the longer term.

We noted that, as disclosed in the Company's announcement dated 24 March 2026, the Company intended to expand into the global smart robotics industry through the development of Open Claw next-generation open smart gripping actuators, with a proposed investment of approximately HK$500 million over three financial years. However, as further disclosed in the Company's announcement dated 21 May 2026, the Board resolved not to proceed with the proposed commencement of such new business due to uncertainties in fundraising activities following the significant decline in the Share price. The approved investment budget of HK$500 million has been cancelled. The Company confirmed that it has not entered into any legally binding agreement in respect of such new business and has not invested any amount in relation thereto, and that the termination would not have any material impact on its financial position or existing operations.

Taking into account (i) the improvement in gross profit margin in 6M2025 despite a challenging revenue environment; (ii) the Group's demonstrated ability to implement cost control measures; and (iii) its proactive approach in exploring new business opportunities, we are cautiously optimistic about the Group's prospects over the medium to long term. Nevertheless, shareholders should be mindful that the pace and extent of recovery in the fitting-out market, as well as the successful development of new business segments, remain subject to prevailing market conditions and execution risks.

2. Information on the Offeror and the intention of the Offeror in relation to the Group

2.1 Information on the Offeror

As set out in the Offer Document, the Offeror, Mr. Chan Yuen Tung, aged 58, is a retired merchant. He graduated with a bachelor's degree in Computer Engineering from The University of Hong Kong in 1992. Mr. Chan has enormous experience in manufacturing industries in the mainland China, property development and investment in both the property and stock market in Hong Kong. From October 1995 to February 1999, Mr. Chan was appointed as an executive director of DC Finance (Holdings) Limited, whose shares were listed on the Stock Exchange until December 2020. Since 2000, Mr. Chan has been participating in the investment in the manufacturing industries in the PRC. He was appointed as a member of Mudanjiang Committee of the Chinese People's Political Consultative Conference in 2005 and became a member of the standing committee of Mudanjiang Committee of the Chinese People's Political Consultative Conference in 2006. He was also appointed as a member of Heilongjiang Province Committee of the Chinese People's Political Consultative Conference in 2007. From 29 October 2007 to February 2012, Mr. Chan served as the chairman and an executive director of China Zenith Chemical Group Limited (stock code: 362), whose shares are listed on the Stock Exchange.

As at the Latest Practicable Date, the Offeror does not hold any Shares, and parties acting in concert with the Offeror are not interested in any Share.

2.2 Reasons for the Partial Offer

As set out in the Offer Document, the Offeror has noted that the Offeree intends to expand into the global smart robotics industry by developing a new business focused on Open Claw next-generation open smart gripping actuators as disclosed in the announcements of the Offeree dated 24 March 2026 (the "**New Business**"). The Offeree plans to invest an aggregate amount of approximately HK$500,000,000 over the next three financial years to support the development of the New Business.

However, we note that subsequent to the issue of the Offer Document on 18 May 2026, the Company announced on 21 May 2026 that, having considered the significant decline in the Share price and uncertainties in fundraising activities, the Board resolved not to proceed with the New Business and that the approved investment budget of HK$500 million would be cancelled. The Company further confirmed that it had not entered into any legally binding agreement nor invested any amount in relation to the New Business and that the termination would not have any material impact on its financial position or existing operations.

In light of the termination of the New Business, we consider that the Offeror's stated rationale in relation to the anticipated development of the robotics business should be viewed in the context that the New Business will no longer proceed as previously announced on 24 March 2026. Accordingly, Qualifying Shareholders should carefully assess the Partial Offer primarily based on the Group's existing principal business and financial performance rather than the previously proposed New Business.

As set out in the Offer Document, the Offeror has also noted that the Offeree also announced on 17 December 2025 that it had entered into a strategic cooperation memorandum with Guangzhou Xinglun Safety Industry Co., Limited ("**Guangzhou Xinglun**") for the development of Industrial Internet of Things, research of industrial software, and actual project implementation, specific area of cooperation includes the application of industrial computing power and artificial intelligence. A new subsidiary was formed with Guangzhou Xinglun by the Offeree on 13 February 2026. The Offeror is optimistic about the prospects of these potential new business and commitments and is impressed by the short to long term development targets of the Offeree for these new business, which may provide opportunities of capital appreciation in long run.

As set out in the Offer Document, the Offeror considers that the Offeree is in a sound and stable financial position, as evidenced by its net assets value and net current assets of approximately HK$72.8 million and HK$139.6 million respectively as at 30 September 2025.

As set out in the Offer Document, the Offeror has also observed a significant decline in the trading price of the Shares, which decreased from the 2026 year high closing price of HK$3.57 per Share on 16 January 2026 to HK$0.66 per Share as at the Last Trading Day. In light of the limited liquidity in the secondary market for the Shares, the Offeror considers that the Partial Offer represents a strategic opportunity to acquire a sizeable equity stake of the Offeree at an attractive valuation, which would otherwise be difficult to achieve through on-market acquisitions.

3. The Offer Price

3.1 The Offer Price comparison

The Offer Price of HK$0.33 per Offer Share represents:

(i) a discount of approximately 14.3% to the closing price as quoted on the Stock Exchange on 29 May 2026, being the Latest Practicable Date, of HK$0.385 per Share;

(ii) a discount of approximately 44.1% to the closing price of HK$0.59 per Share as quoted on the Stock Exchange on 15 May 2026, being the latest practicable date of the Offer Document;

(iii) a discount of approximately 50% to the closing price of HK$0.66 per Share as quoted on the Stock Exchange on 9 April 2026, being the Last Trading Day;

(iv) a discount of approximately 76.7% to the average of the closing prices of the Shares of approximately HK$1.414 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;

(v) a discount of approximately 82.7% to the average of the closing prices of the Shares of approximately HK$1.904 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;

(vi) a discount of approximately 86.9% to the average of the closing prices of the Shares of approximately HK$2.517 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;

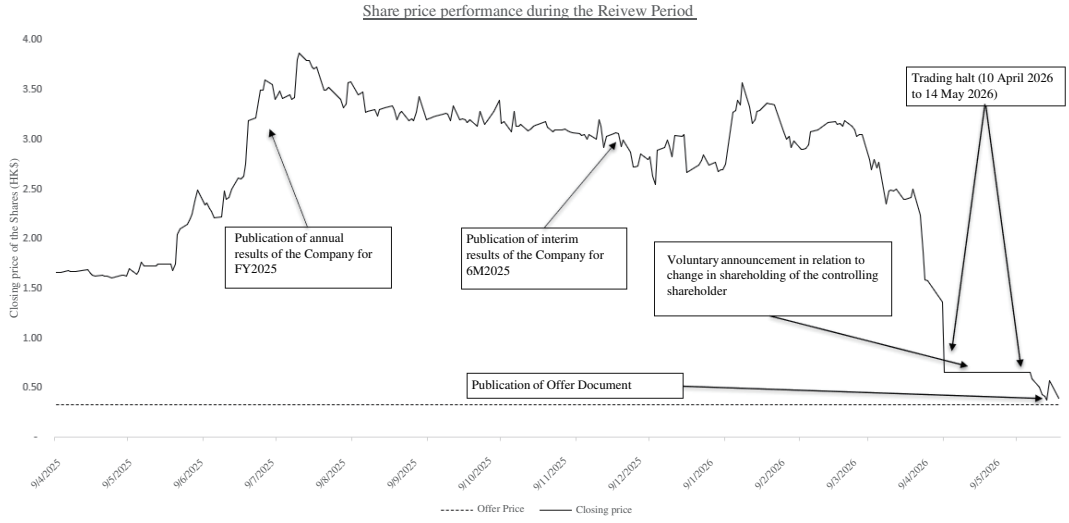
(vii) a premium of approximately 106.3% to the audited consolidated net asset value of approximately HK$0.16 per Share (based on (a) the Offeree Group's audited consolidated net assets attributable to the owners of the Offeree of approximately HK$76,560,000 as at 31 March 2025; and (b) the total number of the issued Shares of 480,000,000 as at the Latest Practicable Date) as at 31 March 2025, being the date to which the latest published audited annual financial results of the Offeree Group were made up; and

(viii) a premium of approximately 120% to the unaudited consolidated net asset value of approximately HK$0.15 per Share (based on (a) the Offeree's unaudited consolidated net assets attributable to the owners of the Offeree of approximately HK$72,814,000 as at 30 September 2025; and (b) the total number of the issued Shares of 480,000,000 as at the Latest Practicable Date) as at 30 September 2025, being the date to which the latest published unaudited interim financial results of the Offeree Group were made up.

3.2 Historical Share price performance

We have reviewed and analysed the closing prices of Shares for approximately 12 months immediately prior to the Last Trading Day commencing on 9 April 2025 and up to and including the Latest Practicable Date (the "**Review Period**"), which is a commonly adopted timeframe for similar share price analysis in the market and is considered to be adequately lengthy to illustrate the recent trend of the closing prices of the Shares for our analysis on the offer price under the Partial Offer and its trading volume for the purpose of assessing the fairness and reasonableness of the offer price under the Partial Offer below:

Share price performance during the Review Period



Source: www.hkex.com.hk

The Offer Price of HK$0.33 represents (a) a discount of approximately 87.1% to the average closing Share price of approximately HK$2.56 per Share during the Review Period; (b) a discount of approximately 50.0% to the closing price of HK$0.66 per Share as quoted on the Stock Exchange on the Last Trading Day; (c) a discount of approximately 13.2% to the lowest closing Share price of approximately HK$0.380 per Share during the Review Period; and (d) a discount of approximately 14.3% to the closing price of HK$0.385 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

During the Review Period, the Share price increased from HK$1.66 per Share on 9 April 2025, the beginning of the Review Period, to HK$2.75 on 26 June 2025, being the date before the publication of annual results of the Company for FY2025. Based on our discussion with the Management, we understand that, the Directors were not aware of any matters related to the Group which could have caused a material impact on the Share price during the aforesaid period.

Upon the publication of annual results of the Company for FY2025 on 27 June 2025 and before the publication of voluntary announcement in relation to the commencement of new business dated 24 March 2026 in relation to the proposed commencement of the New Business focusing on the development of Open Claw next-generation open smart gripping actuators, the Share price remained relatively stable, ranging between HK$2.35 and HK$3.87 per Share.

The Share price decreased from approximately HK$2.42 on 26 March 2026 to HK$0.66 on 9 April 2026, being the Last Trading Day. Based on our discussion with the Management, we understand that, save for 102,288,000 Shares owned by the controlling shareholder of the Company, representing approximately 21.31% of the issued Shares, being disposed of during the period from 2 April 2026 to 9 April 2026 (the "**Controlling Shareholder Disposal**"), the Directors were not aware of any matters related to the Group which could have caused a material impact on the Share price during such period.

The Share price was HK$0.66 on Last Trading Day on 9 April 2026. During the period from 10 April 2026 to 14 May 2026, the trading in Shares was halted. After the resumption of trading in Shares on 15 May 2026, the Share price was decreased from HK$0.66 on Last Trading Day to HK$0.38 on 21 May 2026. Based on our discussion with the Management, save for the voluntary announcement of the Company dated 14 April 2026 in relation to the Controlling Shareholder Disposal during the period from 2 April 2026 to 9 April 2026, the Directors were not aware of any matters related to the Group which could have caused such decrease on the Share price during such period.

After the publication of termination of the New Business on 21 May 2026 (after trading hours), the Share price increased to HK$0.57 on 22 May 2026. The Share price then decreased to HK$0.385 on 29 May 2026, the Latest Practicable Date.

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

3.3 Historical liquidity of the Shares

The table below sets out the trading volume of Shares during the Review Period:

Month/period	**Number of trading days in the month/period**	**Average daily trading volume per trading day in the month/period**	**Percentage of average daily trading volume to total number of Shares in issue** *(Note 1)* *Approximate %*	**Percentage of average daily trading volume to total number of Shares held by public Shareholders** *(Note 2)* *Approximate %*
2025				
April (from 9 April 2025)	14	104,857.14	0.02%	0.05%
May	21	94,952.38	0.02%	0.04%
June	21	378,380.95	0.08%	0.17%
July	22	683,454.55	0.14%	0.30%
August	21	644,095.24	0.13%	0.29%
September	22	457,454.55	0.10%	0.20%
October	20	1,037,478.15	0.22%	0.46%
November	20	1,209,700.00	0.25%	0.54%
December	21	1,268,571.43	0.26%	0.57%
2026				
January	21	2,573,523.81	0.54%	1.15%
February	17	1,020,000.00	0.21%	0.46%
March	22	1,046,417.73	0.22%	0.47%
April *(Note 3)*	19	9,026,842.05	1.88%	4.03%
May (up to the Latest Practicable Date) *(Note 3)*	19	9,173,921.05	1.91%	5.05%

Source: www.hkex.com.hk

Notes:

1. Calculated based on the total number of the Shares in issue at the end of month/period.

2. Calculated based on the total number of the Shares held by public shareholders of each trading day.

3. During the Review Period, the trading in the Shares had been halted on 10 April 2026 and trading was resumed on 15 May 2026.

As set out in the table above, the percentage of average daily number of Shares traded relative to the total number of Shares in issue ranged from approximately 0.02% to 1.91%, with an average of approximately 0.43%. The percentage of average daily trading volume to the total number of Shares held by public shareholders ranged from approximately 0.04% to 5.05%, with an average of approximately 0.98%.

We have discussed with the Management regarding the fluctuations and occasional increases in trading volume in April and May 2026. Save for the voluntary announcement of the Company dated 14 April 2026 in relation to the change in shareholding of the controlling shareholder, which involved the disposal of certain Shares by a lender of the controlling shareholder on the open market, the Management was not aware of any other specific corporate actions, events or matters which, to the best of its knowledge, may have led to the increase in trading volume of the Shares in April and May 2026.

As shown in the above table, April 2026 and May 2026 recorded a relatively high trading volume as compared to other months, representing 4.03% and 5.05%, respectively, of average daily trading volume to the total number of Shares held by public Shareholders. As advised by Management, they are not aware of any material events that could potentially be related to the aforesaid movement in trading volume in the said period.

As such, we consider that the trading liquidity of the Shares have been thin in the open market during the Review Period, which may impose limitation on potential investor participation. In this context, Qualifying Shareholders shall be aware that, depending on their shareholding size, when attempting to realise their investment or dispose their Shares in the open market could potentially exert downward pressure on the price of the Shares causing the sale proceeds from the disposal in the open market to be lower than the average Share Price during the Review Period, i.e. HK$2.56. The Qualifying Shareholders are also reminded that if the valid acceptances of more than 15,800,000 Offer Shares are received, the Qualifying Shareholders may not be able to fully realise their Shares, in case they opt to accept the Partial Offer.

3.4 Market comparable analysis

With a view to assess the fairness and reasonableness of the Offer Price, we have also conducted market comparable analysis by comparing the price-to-earnings ratio (the "**P/E Ratio**") and the price-to-book ratio (the "**P/B Ratio**") of the Company as implied by the Offer Price, based on the closing price of the Share on the Last Trading Day against that of other listed companies on the Main Board of the Stock Exchange that engages in similar business to those of the Group, i.e. fitting-out services.

For the purpose of our analysis, we have identified comparable companies based on the following criteria: (a) the shares of which are listed on the Main Board of the Stock Exchange; (b) more than half of the revenue of the respective listed company(ies) are from fitting-out services and repair, maintenance, alteration and additional works, which are of a similar nature of the principal activity of the Company; (c) the trading of shares of the subject companies were not suspended on the Last Trading Day; and (d) the listed company(ies) did not record net liabilities or total deficit as at the latest financial year/period (the "**Criteria**").

Based on the Criteria, we have identified an exhaustive list of nine comparable companies (the "**Comparable Companies**").

Company (Stock Code)	**Principal activities**	**Market capitalisation** *(Note 1)* *(HK$'million)*	**P/E Ratio** *(Note 2)* *(times)*	**P/B Ratio** *(Note 3)* *(times)*
Mexan Limited (22)	Trading of furniture and building materials and fit-out construction service	489.6	Net loss	1.89
Superland Group Holdings Limited (368)	Provision of fitting-out services and repair and maintenance services to residential and commercial properties in Hong Kong	600.0	26.94	2.62
Glorious Sun Enterprises Limited (393)	Financial investments, interior decoration and renovation, and export and retailing of casual wear	1,950.0	23.27	0.65
Sundart Holdings Limited (1568)	(i) integrated fitting-out works; and (ii) manufacturing and international sourcing and distribution of interior decorative materials business	1,597.1	5.98	0.44
Unity Enterprise Holdings Limited (2195)	(i) provision of repair, maintenance, alteration and addition works services; (ii) distributorship of building materials; and (iii) provision of electric vehicle advising and installation services	61.7	Net loss	0.68
Lai Si Enterprise Holding Limited (2266)	Fitting-out, alteration and addition works, construction works and repair and maintenance services	158.0	19.22	1.21

Company (Stock Code)	Principal activities	Market capitalisation *(Note 1)* *(HK$'million)*	P/E Ratio *(Note 2)* *(times)*	P/B Ratio *(Note 3)* *(times)*
ISP Holdings Limited (2340)	(i) the interiors and special projects business; and (ii) property and facility management	131.5	Net loss	1.02
China Supply Chain Holdings Limited (3708)	Building maintenance and renovation services	167.8	Net loss	1.18
G & M Holdings Limited (6038)	The provision of one-stop design and build solutions as well as repair and maintenance services in relation to podium facade and curtain wall works	396.2	7.13	1.33
	Maximum		*28.78*	*2.80*
	Minimum		*5.82*	*0.34*
	Average		*17.87*	*1.06*
The Company (implied by the Offer Price)		**158.4**	**Net loss**	**2.2**

Notes:

1. Based on the closing price of the shares and the total number of shares in issue of the respective Comparable Companies on the Last Trading Day.

2. Based on the market capitalisation as at the Last Trading Day and the profit attributable to owners for the latest full financial year of the respective Comparable Companies.

3. Based on the market capitalisation as at the Last Trading Day and the net asset attributable to owners of the respective Comparable Companies based on their latest published annual report or interim report, whichever is later.

Based on the unaudited net asset attributable to owners of the Company of approximately HK$72.8 million as at 30 September 2025, and the implied market capitalisation of the Company of approximately HK$158.4 million based on the Offer Price of HK$0.33 under the Partial Offer and 480,000,000 Shares in issue, the implied P/B ratio (the "**Implied P/B Ratio**") of the Company was approximately 2.2 times.

As the Company recorded a net loss for 6M2025, the P/E Ratio of the Company is not applicable. In the absence of positive earnings, the P/E Ratio cannot serve as a meaningful valuation indicator or be directly compared with those of the Comparable Companies.

It is noted from the above table that the Comparable Companies recorded P/B Ratio between approximately 0.34 times and 2.80 times with average P/B Ratio of 1.06 times.

Based on the Offer Price, the Implied P/B Ratio of 2.2 times is higher than the average P/B Ratio of the Comparable Companies.

Taking into account the Company's inability to demonstrate recurring profitability from its principal business activities, the Partial Offer may present an opportunity for the Qualifying Shareholders to realise their investment.

Nonetheless, as the market price of the Shares was higher than the Offer Price during the Review Period, it is advisable for the Qualifying Shareholders to place more weight on other factors and analysis set out in this letter including the Group's share price performance and thin trading liquidity as well as the Group's operation and business outlook, all of which provide a broader and more balanced context for evaluation.

RECOMMENDATION

Despite the fact that

(a) the Offer Price represents a premium of approximately 120% to the unaudited consolidated net asset value of approximately HK$0.15 per Share on 30 September 2025; and

(b) the P/B Ratio implied by the Offer Price was higher than the average,

which may be regarded as supportive of the Partial Offer, we have also considered the abovementioned other principal factors and reasons for the Partial Offer, including:

(a) as discussed in the section headed "Outlook and prospects of the Group" in this letter, despite a decline in revenue in recent periods, the Company has demonstrated improved gross profit margins through effective cost control and prudent management. With a stabilising economic environment and initiatives to explore new business opportunities, the Company remains cautiously optimistic about its medium- to long-term growth prospects;

(b) the Offer Price represents a discount of approximately 14.3% to the closing price of HK$0.385 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(c) the Offer Price represents a discount of approximately 87.1% to the average closing Share price of approximately HK$2.56 per Share during the Review Period;

(d) the Offer Price represents a discount of approximately 50.0% to the closing price of HK$0.66 per Share as quoted on the Stock Exchange on the Last Trading Day; and

(e) the Offer Price represents a discount of approximately 13.2% to the lowest closing Share price of approximately HK$0.380 per Share during the Review Period,

we consider the Partial Offer to be **NOT** fair and reasonable so far as the Qualifying Shareholders are concerned on a totality basis having placed greater emphasis on the substantial discounts to recent and historical market prices and the continuing business operations and prospects of the Group.

We have also considered the Company's announcements dated 14 April 2026 and 14 May 2026 in relation to (i) the Controlling Shareholder Disposal of 102,288,000 Shares by a lender of the controlling shareholder pursuant to enforcement of a lending arrangement, and (ii) the subsequent termination of the proposed sale and purchase agreement relating to the entire remaining 53.3% shareholding of the controlling shareholder (the "**Disposal Termination**").

We noted that the Controlling Shareholder Disposal was arisen from the controlling shareholder's lending arrangement and the invocation of enforcement rights by its lender. Although the Company confirmed that it is not a party to such lending arrangement and that the matter would not have any material impact on its principal business or daily operations, we consider that the incidents reflect certain financial pressures facing the controlling shareholder and may create short-term uncertainty regarding shareholding stability and potential market overhang.

We also noted that immediately following the Controlling Shareholder Disposal and the Disposal Termination, the controlling shareholder continues to hold approximately 53.3% of the issued share capital of the Company, and trading in the Shares resumed on 15 May 2026. There is no indication that the Company's underlying business operations or financial position have been materially affected by such events.

While the above developments may contribute to volatility in the trading price of the Shares and uncertainty regarding the controlling shareholder's financing arrangements, having considered (i) the substantial discount represented by the Offer Price to the prevailing market prices; (ii) the partial nature of the Parital Offer; and (iii) the fact that the Company's operations remain ongoing, we are of the view that such shareholding uncertainty, in itself, does not justify acceptance of the Partial Offer at the Offer Price.

Accordingly, we advise the Independent Board Committee not to recommend the Qualifying Shareholders to accept the Partial Offer. It is advisable for the Qualifying Shareholders to consider selling their Shares in the open market if the market price of the Shares exceeds the Offer Price during the period when the Partial Offer is open and the sales proceeds, net of transaction costs, from disposal of the Shares exceed the amount receivable under the Partial Offer.

Notwithstanding our recommendation, the Qualifying Shareholders, in particular those who may wish to realise their investment in the Shares, are reminded to monitor the market price and liquidity of the Shares closely during the period of the Partial Offer. If during the period of the Partial Offer, it transpires that the market price of the Shares below the Offer Price and the sales proceeds (net of transaction costs) less than the net proceeds receivable under the Partial Offer, the Qualifying Shareholders may consider, if they are able to do so, accepting the Partial Offer instead of selling their Shares in the market.

As different Qualifying Shareholders would have different investment criteria, objectives, risk preference and tolerance level and/or circumstances, we would recommend any Qualifying Shareholder who may require advice in relation to any aspect of the Response Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser before making the decision to, whether or not, accept the Partial Offer. The Qualifying Shareholders should read carefully the procedures for accepting the Partial Offer as detailed in the Offer Document.

Yours faithfully
For and on behalf of
Messis Capital Limited
Thomas Lai
Chief Executive Officer

Mr. Thomas Lai is a licensed person registered with the SFC and a responsible officer of Messis Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 35 years of experience in the corporate finance industry.

1. FINANCIAL SUMMARY OF THE GROUP

Set out below is a summary of (i) the audited financial information of the Group for the each of FY2023, FY2024 and FY2025, respectively, as extracted from the audited consolidated financial statements of the Company as set out in the annual report of the Company for each of the years ended 31 March 2023, 2024 and 2025; and (ii) the unaudited financial information of the Group for 6M2024 and 6M2025, respectively, as extracted from the interim report of the Company for 6M2025.

Summary consolidated income statement and statement of comprehensive income

	6M2025	**6M2024**	**FY2025**	**FY2024**	**FY2023**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
Revenue	110,113	138,496	263,927	460,270	205,872
Direct costs	(105,033)	(133,261)	(258,405)	(440,021)	(193,750)
Gross profit	5,080	5,235	5,522	20,249	12,122
Other (losses)/ gains, net	(2)	23	6	290	1
Fair value changes on held-for-trading investments	2,750	–	–	–	–
Provision for expected credit losses allowance on trade and other receivables and contract assets, net	(3,564)	(2,537)	(13,627)	(2,468)	(396)
Administrative and other operating expenses	(5,873)	(10,396)	(19,028)	(16,670)	(24,882)
Finance costs	(2,137)	(2,790)	(5,056)	(5,840)	(5,508)
Loss before income tax	(3,746)	(10,465)	(32,183)	(4,439)	(18,663)
Income tax	–	–	–	–	–
Loss and total comprehensive expense for the period attributable to equity holders of the Company	(3,746)	(10,465)	(32,183)	(4,439)	(18,663)
Loss per share attributable to equity holders of the Company – Basic and diluted *(HK cents)*	(0.78)	(2.18)	(6.70)	(0.92)	(3.89)

Save as disclosed above, there was no item of any income or expense which was material in respect of the audited consolidated financial information of the Group for each of FY2023, FY2024 and FY2025 and the unaudited consolidated financial information of the Group for 6M2025.

No dividend was paid or proposed by the Company during the FY2023, FY2024 and FY2025, and the 6M2024 and 6M2025.

The Auditor's report issued by Grant Thornton Hong Kong Limited in respect of the consolidated financial statements of the Group for each of FY2023, FY2024 and FY2025, did not issue any modified opinion, emphasis of matter or material uncertainty related to going concern, and the Company had no items which are exceptional or extraordinary because of size, nature or incidence for the same financial year.

2. CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The Company is required to set out or refer to in this Response Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in FY2023 (the "**2023 Financial Statements**"), FY2024 (the "**2024 Financial Statements**") and FY2025 (the "**2025 Financial Statements**") and 6M2025 (the "**6M2025 Financial Statements**"), together with the notes to the relevant published consolidated financial statements which are of major relevance to the appreciation of the above consolidated financial information.

The 2023 Financial Statements are set out on pages 54 to 107 of the annual report of the Company for the FY2023 (the "**2023 Annual Report**"), which was published on 21 July 2023. The 2023 Annual Report was posted on the websites of the Company (www.metaspacex.hk) and the Stock Exchange (www.hkexnews.hk) and is accessible via the following hyperlink:

https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0721/2023072100499.pdf

The 2024 Financial Statements are set out on pages 52 to 107 of the annual report of the Company for the FY2024 (the "**2024 Annual Report**"), which was published on 26 July 2024. The 2024 Annual Report was posted on the websites of the Company (www.metaspacex.hk) and the Stock Exchange (www.hkexnews.hk) and is accessible via the following hyperlink:

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0726/2024072600373.pdf

The 2025 Financial Statements are set out on pages 52 to 111 of the annual report of the Company for the FY2025 (the "**2025 Annual Report**"), which was published on 25 July 2025. The 2025 Annual Report was posted on the websites of the Company (www.metaspacex.hk) and the Stock Exchange (www.hkexnews.hk) and is accessible via the following hyperlink:

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0725/2025072500330.pdf

The 6M2025 Financial Statements are set out on pages 11 to 33 of the interim report of the Company for the 6M2025 (the "**6M2025 Interim Report**"), which was published on 17 December 2025. The 6M2025 Interim Report was posted on the websites of the Company (www.metaspacex.hk) and the Stock Exchange (www.hkexnews.hk) and is accessible via the following hyperlink:

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/1217/2025121700818.pdf

The 2023 Financial Statements, the 2024 Financial Statements, the 2025 Financial Statements and 6M2025 Financial Statements (but not any other part of the 2023 Annual Report, the 2024 Annual Report, the 2025 Annual Report and the 6M2025 Interim Report in which they respectively appear) are incorporated by reference into this Response Document and form part of this Response Document.

3. STATEMENT OF INDEBTEDNESS AND CONTINGENT LIABILITIES

As at the close of business on 30 April 2026, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Response Document, the indebtedness of the Group was as follows:

Borrowings and interest payables

As at 30 April 2026, the Group had (i) an outstanding bond of HK$5,000,000 which is unsecured and is repayable in April 2028 and bearing an interest of 5% per annum; (ii) an unsecured other borrowing of approximately HK$13,897,000 with a former director of the Company and certain subsidiaries, repayable in December 2027 and with interest rate of 10% per annum; (iii) an unsecured other borrowing of HK$22,000,000 from a third party, repayable in July 2027 and with interest rate of 6% per annum; and (iv) an amount of HK$71,000 due to Mr. Kang Ruipeng, an executive Director which is non-trade nature, unsecured, interest-free and repayable on demand.

On 30 April 2026, the interest payable in connected with the borrowing above amounted to approximately HK$15.0 million.

Lease liabilities

As at 30 April 2026, the Group had total lease liabilities amounting to approximately HK$725,000.

Contingent liabilities

As at 30 April 2026, the Group had no material contingent liabilities.

Saved as disclosed above, as at the close of business on 30 April 2026, the Group did not have any bank overdrafts or loans, borrowings, mortgages, charges, debentures or debt securities, issued or outstanding, or authorised or otherwise created but unissued, or other similar indebtedness, mortgages, charges, finance lease commitments, liabilities under acceptances, acceptance credits, hire purchase commitments, material contingent liabilities or guarantees.

4. MATERIAL CHANGE

The Directors confirm that, there has been no material change in the financial or trading position or outlook of the Group since 31 March 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up, up to and including the Latest Practicable Date.

1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Response Document and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Response Document have been arrived at after due and careful consideration and there are no other facts not contained in this Response Document, the omission of which would make any statement in this Response Document misleading.

The information contained in this Response Document relating to the Partial Offer, the Offeror and the parties acting in concert with him has been extracted from or based on the Announcement and the Offer Document. The only responsibility accepted by the Directors in respect of such information is for the correctness and fairness of the extraction of such information and/or its reproduction or presentation.

2. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date, the authorised and issued share capital of the Company were as follows:

Authorised		*HK$*
1,000,000,000	Shares with par value of HK$0.01 each	10,000,000
Issued and fully paid up		
480,000,000	Shares with par value of HK$0.01 each	4,800,000

All Shares in issue rank *pari passu* in all respects with each other including rights to dividends, voting and return of capital. The Company has not issued any Shares since 31 March 2025, the date to which the latest audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

As at the Latest Practicable Date, the Company had no outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and had not entered into any agreement for the issue of such options, derivatives, warrants or securities of the Company.

The Shares are listed and traded on the Stock Exchange. No part of the Shares is listed or dealt in, nor is any listing of or permission to deal in the Shares being or proposed to be sought on any other stock exchange.

3. MARKET PRICES

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

Date	Closing price per Share *HK$*
31 October 2025	3.10
28 November 2025	2.99
31 December 2025	2.84
30 January 2026	3.29
27 February 2026	3.19
31 March 2026	1.88
9 April 2026 (being the Last Trading Day)	0.66
29 May 2026 (being the Latest Practicable Date)	0.385

During the Relevant Period, the highest closing price of Shares quoted on the Stock Exchange was HK$3.57 per Share on 16 January 2026, and the lowest closing price of Shares quoted on the Stock Exchange was HK$0.380 per Share on 21 May 2026.

4. DISCLOSURE OF INTERESTS

(i) Directors' and the chief executives' interests and short positions in Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, save as disclosed below, none of the Directors had any interests or short positions in the Shares, underlying Shares or debentures of the Company or the associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under the provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be disclosed in this Response Document pursuant to the Takeovers Code.

Name	Capacity/Nature of interest	Number of Shares held	Percentage of shareholding
Mr. Zhang Mingmin	Beneficial owner	426,000	0.09%

(ii) Substantial Shareholders' interests and short positions in the Shares, underlying Shares and debentures of the Company

As at the Latest Practicable Date, the particulars of the corporations or persons (other than the Directors and chief executives of the Company) who had, or was deemed to have, an interest or short position in the Shares and/or underlying Shares which fell to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or pursuant to section 336 of the SFO, which would have to be recorded in the register referred to therein, or the Takeovers Code were as follows:

Name	Capacity/ Nature of interest	Number of Shares held/ Interested	Approximate percentage of shareholding
China Sports Asset Management Co., Limited (formerly known as Yuan Feng Ventures Limited)[2], [3] & [4] ("**China Sports**")	Beneficial owner	255,860,000 (L)	53.3%
Ms. Huang Hou[2]	Interest in controlled corporation	255,860,000 (L)	53.3%
Tse's Finance Limited[3]	Security interest	255,860,000 (L)	53.3%
Sincere Finance Holding Limited[4]	Interest in controlled corporation	255,860,000 (L)	53.3%
Jade Stones Group Limited[5]	Interest in controlled corporation	255,860,000 (L)	53.3%
Mr. Tse Shiu Hoi[6]	Interest in controlled corporation	255,860,000 (L)	53.3%
	Beneficial owner	46,210,220 (L)	9.63%

Notes:

(1) The letter "L" denote the respective "long position" (as defined under Part XV of the SFO) of the relevant person/entity in such Shares.

(2) China Sports held approximately 53.3% of the total issued share capital of the Company and China Sports was in turn wholly and beneficially owned by Ms. Huang Hou. Therefore, Ms. Huang Hou is deemed or taken to be interested in the Shares held by China Sports under the SFO.

(3) On 4 March 2024, China Sports has executed a share charge ("**TFL Share Charge**") over the 360,000,000 Shares held by China Sports, in favour of Tse's Finance Limited ("**Tse's Finance**") as a security for the loan facility granted by Tse's Finance. During the period from 2 April 2026 to 9 April 2026, 102,288,000 Shares held by China Sports were disposed of on the stock market without the authorisation of China Sports. As such, under the SFO, Tse's Finance is taken to have a security interest of 255,860,000 Shares under the TFL Share Charge.

(4) Sincere Finance Holding Limited holds approximately 99.99% interest in the issued share capital of Tse's Finance. By virtue of the SFO, Sincere Finance Holding Limited is deemed to be interested in all the Shares held by Tse's Finance.

(5) Jade Stones Group Limited holds approximately 97.02% interest in the issued share capital of Sincere Finance Holding Limited. By virtue of the SFO, Jade Stones Group Limited is deemed to be interested in all the Shares held by Sincere Finance Holding Limited.

(6) Mr. Tse Shiu Hoi holds approximately 51% interest in the issued share capital of Jade Stones Group Limited. By virtue of the SFO, Mr. Tse Shiu Hoi is deemed to be interested in all the Shares held by Jade Stones Group Limited.

(iii) Interest in the Offeror

As at the Latest Practicable Date, none of the Company nor any of the Directors had any interest in the shares of the Offeror or convertible securities, warrants, options or derivatives in respect of the shares of the Offeror.

(iv) Additional disclosure of interests in the Company and arrangement in connection with the Partial Offer

As at the Latest Practicable Date,

(i) there was no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeover Codes) between (a) any Shareholder on the one hand; and (b) the Company, its subsidiaries or associated companies on the other hand;

(ii) save for the disclosure in the paragraphs headed "Disclosure of Interests – Directors' and the chief executives' interests and short positions in Shares, underlying Shares and debentures of the Company and its associated corporations" above and "Dealings in Shares" below and the Sale Shares, none of the Directors had any interest in the Shares, derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into the Shares;

(iii) none of the Company nor any Director had borrowed or lent any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company; and

(iv) save as disclosed in the section headed "Confirmation Not to Accept the Partial Offer" in the Letter from the Board, none of the Directors held any beneficial shareholdings in the Company which would otherwise entitle them to accept or reject the Partial Offer.

5. HOLDINGS AND DEALINGS IN THE RELEVANT SECURITIES OF THE COMPANY

(i) As at the Latest Practicable Date, save as disclosed in this Response Document, none of the Directors was interested within the meaning of Part XV of the SFO in the Shares or any warrants, options, convertible securities or derivatives in respect of any Shares.

(ii) As at the Latest Practicable Date, save as disclosed in this Response Document, none of the Directors held any beneficial shareholdings in the Company which would otherwise entitle them to accept or reject the Partial Offer.

(iii) During the Offer Period and up to the Latest Practicable Date, none of the subsidiaries of the Company, pension funds of the Company or of a subsidiary of the Company, or any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of "acting in concert" in the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of "associate" under the Takeovers Code (but excluding any exempt principal trader and exempt fund managers), had owned or controlled or dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

(iv) During the Offer Period and up to the Latest Practicable Date, there was no person who had arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code which existed between the Company, or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of "acting in concert" under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) or (4) of the definition of "associate" under the Takeovers Code, and no such person had owned, controlled or dealt for value in any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares.

(v) During the Offer Period and up to the Latest Practicable Date, no Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company and no such person had dealt for value in any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares.

(vi) As at the Latest Practicable Date, none of the Company or the Directors had borrowed or lent any Shares or any convertible securities, warrants, options or derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in respect of any Shares.

(vii) During the Relevant Period, none of the Directors had dealt for value in any Shares, convertible securities, warrants, options, or derivatives in respect of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

6. DEALINGS IN SHARES OF THE OFFEROR

During the Relevant Period, none the Company, any of its subsidiaries, nor any Directors had dealt for value in any shares of the Offeror or any other convertible securities, warrants, options or derivatives or any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in respect of any shares of the Offeror.

7. ARRANGEMENTS AFFECTING DIRECTORS

As at the Latest Practicable Date,

(i) no arrangement was in place for any benefit (other than statutory compensation) to be given to any Directors as compensation for loss of office or otherwise in connection with the Partial Offer;

(ii) there was no agreement or arrangement between any Directors and any other person which was conditional on or dependent upon the outcome of the Partial Offer or is otherwise connected with the Partial Offer; and

(iii) there was no material contract entered into by the Offeror in which any Director had a material personal interest.

8. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, saved as disclosed below, (i) none of the Directors had any service contracts with the Company or any of its subsidiaries or associated companies in force which (a) (including both continuous and fixed term contracts) have been entered into or amended with during the Relevant Period; (b) were continuous contracts with a notice period of 12 months or more; or (c) were fixed term contracts with more than 12 months to run irrespective of the notice period; and (ii) none of the Directors had any existing or proposed service contract with any member of the Group or any associated companies of the Company which does not expire or is not determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

On 27 March 2026, Mr. Zhang Mingmin entered into a service agreement with the Company to be the executive Director of the Company for a term of three years commenced from 27 March 2026 with an annual salary of HK$96,000 and discretionary bonus by the Company and notice period of three (3) months.

9. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and, no litigation or claims of material importance is pending or threatened by or against the Company and any of its subsidiaries.

10. MATERIAL CONTRACTS

There were no contracts (not being the contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries) entered into by the Company or any of its subsidiaries within two years before the commencement of the Partial Offer up to and including the Latest Practicable Date, which are or may be material.

11. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinions, letters or advice which are contained in this Response Document:

Name	Qualification
Messis Capital	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee on the Partial Offer and in particular as to whether the Partial Offer is, or is not, fair and reasonable and as to the acceptance of the Partial Offer

Messis Capital has given and has not withdrawn its written consent to the issue of this Response Document with the inclusion of its opinion, letters, reports or advice and references to its name included herein in the form and context in which they respectively appear.

As at the Latest Practicable Date, Messis Capital did not have any shareholding, direct or indirect, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did they have any direct or indirect interest in any assets which had been, since 31 March 2025, being the date of the latest published audited consolidated financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

12. DOCUMENTS ON DISPLAY

A copy of the following documents will be available for inspection (i) on the website of the SFC (www.sfc.hk); and (ii) on the website of the Company (www.metaspacex.hk) during the period from the date of this Response Document up to and including the Closing Date:

(i) the amended and restated memorandum and articles of association of the Company;

(ii) the 2023 Annual Report, the 2024 Annual Report, the 2025 Annual Report and the 6M2025 Interim Report;

(iii) the "Letter from the Board", the text of which is set out on pages 6 to 13 of this Response Document;

(iv) the "Letter from the Independent Board Committee", the text of which is set out on pages 14 to 15 of this Response Document;

(v) the "Letter from the Independent Financial Adviser", the text of which is set out on pages 16 to 36 of this Response Document;

(vi) the service contract referred to in the section headed "8. Directors' Service Contracts" in this appendix; and

(vii) the written consents referred to in the paragraph headed "11. Qualification and Consent of Expert" in this appendix.

13. MISCELLANEOUS

(i) The registered office of the Company is situated at Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands.

(ii) The principal place of business of the Company in Hong Kong is situated at 29th Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.

(iii) The company secretaries of the Company are Mr. Lo Cheuk Fung and Mr. Chow Yun Cheung, who are members of the Hong Kong Institute of Certified Public Accountants.

(iv) The Company's principal share registrar and transfer office is Conyers Trust Company (Cayman) Limited Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands.

(v) The branch share registrar and transfer office of the Company in Hong Kong is Boardroom Share Registrars (HK) Limited 2103B, 21/F, 148 Electric Road North Point Hong Kong.

(vi) The English text of this Response Document shall prevail over their respective Chinese text for the purpose of interpretation.