
THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Form of Acceptance 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 Excalibur Global Financial Holdings Limited, you should at once hand this Composite Document and the accompanying Form of Acceptance 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).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Form of Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Form of Acceptance.

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Offer contained herein.



Well Link Fintech Holdings Limited

立橋金融科技控股有限公司

(Incorporated in the British Virgin Islands with limited liability)

Excalibur Global Financial Holdings Limited

駿溢環球金融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8350)

**COMPOSITE OFFER AND RESPONSE DOCUMENT RELATING TO
THE MANDATORY UNCONDITIONAL CASH OFFER BY
WELL LINK SECURITIES LIMITED
FOR AND ON BEHALF OF THE OFFEROR
TO ACQUIRE ALL THE ISSUED SHARES OF
EXCALIBUR GLOBAL FINANCIAL HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR
AGREED TO BE ACQUIRED BY THE OFFEROR AND/OR
PARTIES ACTING IN CONCERT WITH IT)**

Joint financial advisers to the Offeror

Silver Nile Global Investments Limited



雋匯國際金融有限公司
Jun Hui International Finance Limited

MESSIS 大有融資

Independent Financial Adviser to the Independent Board Committee

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
溢博資本有限公司

Capitalised terms used in this cover page shall have the same meanings as those defined in this Composite Document.

A letter from Well Link Securities containing, among other things, principal terms of the Offer is set out on pages 10 to 20 of this Composite Document. A letter from the Board is set out on pages 21 to 31 of this Composite Document.

A letter from the Independent Board Committee containing its recommendation in respect of the Offer to the Independent Shareholders is set out on pages 32 to 33 of this Composite Document. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offer is set out on pages 34 to 59 of this Composite Document.

The procedures for acceptance and other related information in respect of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance. Form of Acceptance should be received by the Registrar, namely Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event no later than 4:00 p.m. on Thursday, 14 December 2023 (or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce, with the consent of the Executive and in accordance with the Takeovers Code).

This Composite Document is issued jointly by the Offeror and the Company. This Composite Document will remain on the website of the Stock Exchange at <http://www.hkexnews.hk> and on the website of the Company at <http://www.excalibur.com.hk> for as long as the Offer remains open.

23 November 2023

CHARACTERISTICS OF GEM

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

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

CONTENTS

		<i>Page</i>
EXPECTED TIMETABLE	.....	1
DEFINITIONS	.....	3
LETTER FROM WELL LINK SECURITIES	.....	10
LETTER FROM THE BOARD	.....	21
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	.....	32
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	.....	34
APPENDIX I	— FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE OFFER	I-1
APPENDIX II	— FINANCIAL INFORMATION OF THE GROUP	II-1
APPENDIX III	— GENERAL INFORMATION RELATING TO THE OFFEROR	III-1
APPENDIX IV	— GENERAL INFORMATION RELATING TO THE COMPANY	IV-1

EXPECTED TIMETABLE

The timetable set out below is indicative only and is subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company.

Despatch date of this Composite Document and
the accompanying Form of Acceptance and
commencement date of the Offer (*Note 1*) Thursday, 23 November 2023

Latest time and date for acceptance of
the Offer (*Notes 2 and 4*) by 4:00 p.m. on
Thursday, 14 December 2023

Closing Date (*Notes 2 and 4*) Thursday, 14 December 2023

Announcement of the results of the Offer, to be posted on
the website of the Stock Exchange (*Note 2*) by 7:00 p.m. on
Thursday, 14 December 2023

Latest date for posting of remittances in respect of valid
acceptances received under the Offer (*Notes 3 and 4*) Wednesday, 27 December 2023

Notes:

1. The Offer, which is unconditional in all respects, is made on the date of posting of this Composite Document, and is capable of acceptance on and from that date until 4:00 p.m. on the Closing Date. Beneficial owners of Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.
2. In accordance with the Takeovers Code, the Offer must remain opened for acceptance for at least 21 days following the date on which this Composite Document is posted. The latest time and date for acceptance of the Offer will be 4:00 p.m. on Thursday, 14 December 2023 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. The Offeror and the Company will jointly issue an announcement through the website of the Stock Exchange by no later than 7:00 p.m. on Thursday, 14 December 2023 stating whether the Offer has been revised, extended or expired. In the event that the Offeror decides to revise or extend the Offer, at least 14 days' notice by way of an announcement will be given before the Offer is closed to those Independent Shareholders who have not accepted the Offer.
3. Remittances in respect of the cash consideration (after deducting the vendor's ad valorem stamp duty) payable for the Offer Shares tendered under the Offer will be despatched to the Independent Shareholders accepting the Offer by ordinary post at their own risk as soon as possible, but in any event no later than 7 business days (as defined in the Takeovers Code) after the date of receipt by the Registrar of all relevant documents (receipt of which renders such acceptance complete and valid), in accordance with the Takeovers Code. Acceptance of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code. Please refer to paragraph 6 headed "Right of Withdrawal" in Appendix I to this Composite Document for further information on the circumstances where acceptances may be withdrawn.

EXPECTED TIMETABLE

4. If there is a tropical cyclone warning signal no. 8 or above, or “extreme conditions” caused by included but not limited to super typhoons, post-super typhoons or a black rainstorm warning:
 - (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Offer, the latest time for acceptance of the Offer will remain at 4:00 p.m. on the same Business Day and the posting of remittances will be made on the same Business Day; or
 - (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offer and the posting of remittances, the latest time for acceptance of the Offer will be rescheduled to 4:00 p.m. on the following Business Day and the posting of remittances will be made on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

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

All references to dates and times contained in this Composite Document and the accompanying Form of Acceptance refer to Hong Kong dates and times.

DEFINITIONS

In this Composite Document, unless otherwise defined or the context otherwise requires, the following expressions have the following meanings:

“acting in concert”	has the meaning as ascribed to it under the Takeovers Code
“associate(s)”	has the meaning as ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for business to deal in securities
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Excalibur Global Financial Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM (stock code: 8350)
“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement which took place on 16 November 2023
“Completion Date”	16 November 2023
“Composite Document”	this composite offer and response document jointly issued by the Offeror and the Company to the Shareholders in connection with the Offer in compliance with the Takeovers Code
“Conditions”	the conditions precedent to the Completion
“connected person(s)”	the meaning ascribed thereto under the GEM Listing Rules
“Consideration”	HK\$37,000,000, being the aggregate consideration paid by the Offeror to the Vendors for the acquisition of the Sale Shares under the Sale and Purchase Agreement

DEFINITIONS

“controlling shareholder(s)”	the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Excalibur Finance”	Excalibur Finance Limited, a company incorporated in Hong Kong with limited liability with money lenders licence registered under Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong), and an indirect wholly-owned subsidiary of the Company
“Encumbrances”	any charge, mortgage, lien, option, equitable right, power of sale, pledge, hypothecation, retention of title, right of pre-emption, right of first refusal or other third-party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing
“Enriched Goldenroad”	Enriched Goldenroad (H.K.) Credit Limited, a company incorporated in Hong Kong with limited liability with money lenders licence registered under Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong), and an indirect wholly owned subsidiary of Enriched Goldenroad Financial Services Holdings Limited
“Executive”	the Executive Director of the Corporate Finance Division of the SFC and any of his delegates
“Facility”	a facility of up to the total amount of HK\$53,600,000 granted by Well Link Securities to the Offeror for (i) financing the consideration of the Sale Shares under the Sale and Purchase Agreement; and (ii) financing the consideration payable by the Offeror under the Offer
“Facility Agreement”	the loan agreement, dated 26 June 2023, entered into between Well Link Securities as lender and the Offeror as borrower in relation to the Facility
“Form of Acceptance”	the form of acceptance and transfer of the Offer Shares in respect of the Offer accompanying this Composite Document
“GEM”	GEM operated by the Stock Exchange

DEFINITIONS

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended, supplemented or otherwise modified from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Board, comprising Mr. Chin Kam Cheung and Mr. Siu Miu Man, M.H., being all the independent non-executive Directors, which has been formed for the purpose of advising the Independent Shareholders in respect of the Offer
“Independent Financial Adviser”	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 independent financial adviser appointed by the Independent Board Committee for the purpose of advising the Independent Board Committee in connection with the Offer and in particular as to whether the Offer is fair and reasonable and as to the acceptance of the Offer
“Independent Shareholder(s)”	holder(s) of the Share(s), other than the Offeror, its ultimate beneficial owners and parties acting in concert with either of them
“Independent Third Parties”	persons or companies who are independent of and not connected (within the meaning of GEM Listing Rules) with the Company and its connected persons
“Jun Hui International”	Jun Hui International Finance Limited, the joint financial adviser to the Offeror in respect of the Offer and a licensed corporation permitted to carry out type 6 (advising on corporate finance) regulated activity under the SFO

DEFINITIONS

“Joint Announcement”	the announcement jointly published by the Company and the Offeror dated 26 June 2023 in relation to, among others, the Offer
“Last Trading Day”	23 June 2023, being the last trading day of the Shares before the date of the release of the Joint Announcement
“Latest Practicable Date”	20 November 2023, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
“Licensed Corporation(s)”	means all corporations in the Group holding licenses issued by the SFC in relation to any of the regulated activities listed in Schedule 5 of the SFO, namely Excalibur Global Financial Group Limited (駿溢環球金融集團有限公司), an indirect wholly-owned subsidiary of the Company, as at date of this joint announcement
“Long Stop Date”	25 June 2024, being 12 months after the date of the Sale and Purchase Agreement, or another date as agreed by the parties to the Sale and Purchase Agreement in writing
“Messis Capital”	Messis Capital Limited, the joint financial advisers to the Offeror in respect of the Offer, and a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
“Offer”	the mandatory unconditional cash offer being made by Well Link Securities for and on behalf of the Offeror to acquire all the issued Shares not already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it in accordance with the Takeovers Code
“Offer Period”	the period commenced from 26 June 2023, being the date of the Joint Announcement to the Closing Date, or such other date to which the Offeror may decide to extend or revise the Offer in accordance with the Takeovers Code
“Offer Price”	the price at which the Offer is made, being HK\$0.0661 per Offer Share

DEFINITIONS

“Offeror”	Well Link Fintech Holdings Limited, a BVI business company incorporated in the British Virgin Islands with limited liability and is directly and beneficially owned as to 97% by Mr. Xu Chujia and 3% by Ms. Zhan Meiqing
“Offer Share(s)”	all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it)
“Overseas Independent Shareholders”	the Independent Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“PRC”	the People’s Republic of China which, for the purpose of this Composite Document, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Registrar”	Tricor Investor Services Limited, the branch share registrar and transfer office of the Company in Hong Kong, which is situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Relevant Period”	the period commencing from 26 December 2022, being the date falling six months before the Offer Period, up to and including the Latest Practicable Date
“Sale and Purchase Agreement”	the sale and purchase agreement dated 26 June 2023 entered into by and among the Vendors and the Offeror in relation to the sale and purchase of the Sale Shares
“Sale Shares A”	287,999,940 Shares sold by Vendor A, representing approximately 36.00% of the entire issued share capital of the Company as at the Latest Practicable Date
“Sale Shares B”	271,504,060 Shares sold by Vendor B, representing approximately 33.94% of the entire issued share capital of the Company as at the Latest Practicable Date
“Sale Shares”	collectively, Sale Shares A and Sale Shares B
“SFC”	the Securities and Futures Commission of Hong Kong

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares in the share capital of the Company
“Share Charge”	the share charge dated 26 June 2023 entered into between the Offeror as chargor and Well Link Securities as chargee, whereby the Offeror had agreed to charge to Well Link Securities, as security for the Facility, the Sale Shares acquired from the Vendors under the Sale and Purchase Agreement and the Shares to be acquired under the Offer
“Shareholder(s)”	holder(s) of the issued Share(s)
“Silver Nile”	Silver Nile Global Investments Limited, the joint financial advisers to the Offeror in respect of the Offer, and a corporation licensed to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers published by the SFC
“Vendor A”	Mr. Chan Ying Leung
“Vendor B”	Mr. Poon Kwok Wah Allan
“Vendors”	collectively, Vendor A and Vendor B
“Well Link Securities”	Well Link Securities Limited, the offering agent of the Offer, and is a corporation licensed to carry out type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities under the SFO. Mr. Xu Chujia, who beneficially owns 97% of the Offeror, is the majority shareholder of Well Link Securities

DEFINITIONS

“Zhaobangji Lifestyle” Zhaobangji Lifestyle Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on Main Board of the Stock Exchange (stock code: 1660)

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

* *For identification purpose only*

LETTER FROM WELL LINK SECURITIES

Well Link Securities Limited
Unit 13–15, 11/F,
China Merchants Tower,
Shun Tak Centre,
168–200 Connaught Road Central,
Sheung Wan, Hong Kong

23 November 2023

To the Independent Shareholders

Dear Sir/Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
WELL LINK SECURITIES LIMITED
FOR AND ON BEHALF OF THE OFFEROR
TO ACQUIRE ALL OF THE ISSUED SHARES IN
EXCALIBUR GLOBAL FINANCIAL HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR
AGREED TO BE ACQUIRED BY THE OFFEROR AND/OR
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

Reference is made to (i) the Joint Announcement dated 26 June 2023 (after trading hours of the Stock Exchange), where the Company and the Offeror jointly announced, among other things, that the Vendors (as vendors) and the Offeror (as purchaser) entered into the Sale and Purchase Agreement dated 26 June 2023, pursuant to which the Offeror conditionally agreed to acquire from the Vendors and the Vendors conditionally agreed to sell to the Offeror an aggregate of 559,504,000 Shares, representing approximately 69.94% of the total issued share capital of the Company as at the date of the Joint Announcement, for a total cash consideration of HK\$37,000,000 (equivalent to approximately HK\$0.0661 per Sale Share) and (ii) the joint announcement dated 16 November 2023 jointly issued by the Offeror and the Company in relation to, among others, the Completion and the Offer.

As disclosed in the section headed “THE SALE AND PURCHASE AGREEMENT” in the Joint Announcement, the Completion was conditional upon all the Conditions being fulfilled (or, where applicable, waived) on or before the Long Stop Date and all the Conditions have been fulfilled before the Latest Practicable Date. As such, the Completion took place on 16 November 2023 and the said consideration was being fully settled in cash on the same date.

LETTER FROM WELL LINK SECURITIES

Immediately following the Completion and as at the Latest Practicable Date, the Offeror, its ultimate beneficial owners and parties acting in concert with any of them own and control a total of 559,504,000 Shares, representing approximately 69.94% of the total issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, Completion having occurred, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror, its ultimate beneficial owners and parties acting in concert with each of them). Well Link Securities is making the Offer for and on behalf of the Offeror.

This letter forms part of this Composite Document which sets out, among other things, the principal terms of the Offer, the information of the Offeror and the Offeror's intentions on the Company. Further details of the Offer and procedures for acceptance and settlement are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance. The Independent Shareholders are strongly advised to consider carefully the information contained in "LETTER FROM THE BOARD", "LETTER FROM THE INDEPENDENT BOARD COMMITTEE" and "LETTER FROM THE INDEPENDENT FINANCIAL ADVISER" as set out in this Composite Document, the appendices as set out in this Composite Document and the Form of Acceptance and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offer.

PRINCIPAL TERMS OF THE OFFER

Well Link Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, is making the Offer on the following basis:

The Offer

For each Offer Share HK\$0.0661 in cash

The Offer Price of HK\$0.0661 per Offer Share under the Offer is equal to the price per Sale Share paid by the Offeror for the Sale Shares under the Sale and Purchase Agreement.

The Offer will be extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code.

As at the Latest Practicable Date, there are 800,000,000 Shares in issue and the Company does not have any outstanding options, warrants or derivatives or other relevant securities in the Company (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Shares.

As at the Latest Practicable Date and based on the Offer Price of HK\$0.0661 per Share, the total issued share capital of the Company is valued at approximately HK\$52,880,000. The Offer will be made to the Independent Shareholders. As at the Latest Practicable Date, the Offeror, its ultimate beneficial owners and parties acting in concert with each of them own or control in a total of 559,504,000 Shares, and 240,496,000 Shares will be subject to the Offer. Based on the

LETTER FROM WELL LINK SECURITIES

Offer Price of HK\$0.0661 per Share, the consideration of the Offer would be HK\$15,896,785.6 (assuming full acceptance of the Offer).

The Offer will be unconditional in all aspects when it is made and will not be conditional upon acceptance being received in respect of a minimum number of the Offer Shares.

Comparison of value

The Offer Price of the Offer of HK\$0.0661 per Offer Share represents:

- (a) a discount of approximately 76.81% on the closing price of HK\$0.285 per Share as quoted on the Stock Exchange on 20 November 2023, being the Latest Practicable Date;
- (b) a discount of approximately 71.26% on the closing price of HK\$0.23 per Share as quoted on the Stock Exchange on 23 June 2023, being the Last Trading Day;
- (c) a discount of approximately 72.23% on the average closing price of approximately HK\$0.238 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a discount of approximately 72.17% on the average closing price of approximately HK\$0.2375 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (e) a discount of approximately 71.51% on the average closing price of approximately HK\$0.232 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (f) a discount of approximately 68.15% over the average closing price of approximately HK\$0.2075 per Share as quoted on the Stock Exchange for the last 60 trading days immediately prior to and including the Last Trading Day;
- (g) a premium of approximately HK\$0.06767 over the audited consolidated net liabilities of the Group of approximately HK\$0.00157 per Share as at 31 December 2022 calculated based on the audited deficit of the Group as at 31 December 2022 of approximately HK\$1,256,000 and 800,000,000 Shares in issue as at the date of the Joint Announcement; and
- (h) a premium of approximately HK\$0.06486 (being approximately 5,230.65%) over the unaudited consolidated net asset value of the Group of approximately HK\$0.00124 per Share as at 30 June 2023 calculated based on the unaudited equity of the Group as at 30 June 2023 of approximately HK\$993,000 and 800,000,000 Shares in issue as at the date of the Joint Announcement.

LETTER FROM WELL LINK SECURITIES

Highest and lowest Share price

During the Relevant Period, the highest and the lowest closing prices of the Shares as quoted on the Stock Exchange were HK\$0.360 per Share on 1 August 2023 and 2 August 2023 and HK\$0.074 per Share on 21 March 2023.

Total value of the Offer

As at the Latest Practicable Date, there are 800,000,000 Shares in issue. On the basis of the Offer Price of HK\$0.0661 per Offer Share, the entire issued share capital of the Company would be valued at approximately HK\$52,880,000.

Assuming that there is no change in the issued share capital of the Company before the Offer is closed, the aggregate value of the Offer is HK\$15,896,785.6 based on the Offer Price of HK\$0.0661 per Offer Share.

Confirmation of financial resources

The Offeror intends to finance and satisfy the consideration under the Sale and Purchase Agreement and the maximum consideration payable under the Offer by the Facility. As security to the Facility, the Offeror as chargor has entered into the Share Charge in respect of the Sale Shares acquired from the Vendors under the Sale and Purchase Agreement and the Shares to be acquired under the Offer, in favour of Well Link Securities.

Silver Nile, Jun Hui International and Mesis Capital, being the joint financial advisers to the Offeror, are satisfied that sufficient financial resources are and will remain available to the Offeror to satisfy the maximum consideration payable upon full acceptance of the Offer.

The Offeror does not intend that the payment of interest on, repayment of, or security for, any liability (contingent or otherwise) relating to the Facility will depend to any significant extent on the business of the Company.

Effect of accepting the Offer

Acceptance of the Offer by any Shareholders will be deemed to constitute a warranty by such person that all the Shares to be sold by such person under the Offer are free from all Encumbrances and with all rights and benefits at any time accruing and attached to them, including the rights to receive all dividends and distributions declared, made or paid on or after the date on which the Offer is made, that is, the date of posting of the Composite Document.

The Offer will be unconditional in all respects. Acceptances of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

LETTER FROM WELL LINK SECURITIES

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event no later than seven (7) Business Days of the date after receipt of a duly completed acceptance of the Offer. Relevant documents evidencing title must be received by or on behalf of the Offeror to render such acceptance of the Offer complete and valid.

No fractions of a cent will be payable and the amount of the consideration payable to an Independent Shareholder who accepts the Offer will be rounded up to the nearest cent.

Hong Kong stamp duty

The vendor's ad valorem stamp duty at a rate of 0.1% of the market value of the Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the cash amount payable to the relevant Shareholder on acceptance of the Offer. The Offeror will arrange for payment of the vendor's ad valorem stamp duty on behalf of accepting Independent Shareholders and pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares.

Your attention is drawn to the further details regarding the procedures for acceptance and settlement and acceptance period as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

Overseas Independent Shareholders

As the Offer to persons not being resident in Hong Kong may be affected by the laws and regulations of the relevant jurisdiction in which they are resident, Overseas Independent Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the sole responsibility of the Overseas Independent Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consents which may be required, or compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in respect of such jurisdictions).

Based on the register of members of the Company, as at the Latest Practicable Date, the Company had one Overseas Independent Shareholder with registered address located in the British Virgin Islands. For the reference of such Overseas Independent Shareholder only and provided that such advice/opinion shall not be construed as any legal or business advice to such Overseas Independent Shareholder, the Company had sought legal advice and obtained a legal opinion from a firm of British Virgin Islands lawyers which gave an opinion that there is no restriction to the despatch of the Composite Document and the making of the Offer in British Virgin Islands as at the Latest Practicable Date.

LETTER FROM WELL LINK SECURITIES

Any acceptance of the Offer by such Overseas Independent Shareholders will be deemed to constitute a representation and warranty from such Overseas Independent Shareholders to the Offeror that the applicable local laws and requirements have been complied with. The Overseas Independent Shareholder should consult its professional advisers if in doubt. The Overseas Independent Shareholder if in doubt as to the action it should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

Taxation advice

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, Silver Nile, Jun Hui International, Messis Capital and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates, or any other person involved in the Offer accepts responsibility for any taxation or other effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Dealing and interests in securities of the Company

The Offeror confirms that, as at the Latest Practicable Date:

- (a) save for the Sale Shares under the Sale and Purchase Agreement, none of the Offeror, its ultimate beneficial owners, its directors nor any person acting in concert with any of them owns or has control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options of the Company or any derivatives in respect of such securities;
- (b) save for the Sale Shares under the Sale and Purchase Agreement, none of the Offeror, its ultimate beneficial owners, its directors nor any person acting in concert with any of them had dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities during the Relevant Period;
- (c) save for the Sale and Purchase Agreement, the Facility Agreement and the Share Charge, there are no arrangements (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer existed between the Offeror or any parties acting in concert with it and any other person;
- (d) none of the Offeror, its ultimate beneficial owners nor any person acting in concert with any one of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;

LETTER FROM WELL LINK SECURITIES

- (e) none of the Offeror, its ultimate beneficial owners nor any person acting in concert with any one of them has received any irrevocable commitment to accept the Offer;
- (f) save for the Consideration paid by the Offeror to the Vendors under the Sale and Purchase Agreement, there is no consideration, compensation or benefit in whatever form paid or to be paid by the Offeror, its ultimate beneficial owners or any parties acting in concert with any one of them to either of the Vendors or any party acting in concert with any of them in connection with the sale and purchase of the Sale Shares;
- (g) there are no agreements or arrangements in relation to outstanding derivative in respect of the securities in the Company which has been entered into by the Offeror, its ultimate beneficial owners or any person acting in concert with either of them;
- (h) save for the Sale and Purchase Agreement, there is no understanding, arrangement or agreement which would constitute a special deal (as defined in Rule 25 of the Takeovers Code) between (1) any Shareholder (including the Vendors and any parties acting in concert with any one of them) and (2)(a) the Offeror, its ultimate beneficial owners and parties acting in concert with any one of them or (2)(b) the Company, its subsidiaries or associated companies;
- (i) no benefits had been or will be given to any Directors as compensation for loss of office or otherwise in connection with the Offer; and
- (j) save for the Sale and Purchase Agreement, there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror, its ultimate beneficial owners or any person acting in concert with either of them on one hand and any Directors, recent Directors, Shareholders or recent Shareholders on the other hand, having any connection with or was dependent upon the Offer.

INFORMATION ON THE GROUP

Details of the information on the Group are set out in the paragraph headed “INFORMATION ON THE GROUP” in the “LETTER FROM THE BOARD” in this Composite Document.

INFORMATION ON THE OFFEROR

The Offeror was incorporated in the British Virgin Islands with limited liability as an investment holding company. As at the Latest Practicable Date, save for holding the Sale Shares, the Offeror did not hold any other investment or engage in any other business activities. As at the Latest Practicable Date, the Offeror is directly and beneficially owned as to 97% by Mr. Xu Chujia and 3% by Ms. Zhan Meiqing, the sister in-law of Mr. Xu Chujia. The directors of the Offeror are Mr. Kwan Kin Man Keith and Ms. Xu Wenxia, who is the daughter of Mr. Xu Chujia.

LETTER FROM WELL LINK SECURITIES

Mr. Xu Chujia, aged 53, is the majority shareholder of Banco Well Link S.A., Well Link Life Insurance Company Limited, Well Link General Insurance Company Limited and Well Link Securities. Banco Well Link S.A. is a licensed bank in Macau with retail and corporate banking services. It has seven branches across Macau. Well Link Life Insurance Company Limited carries on life insurance business in Hong Kong and underwrites a fully array of products including but not limited to life protection, endowment, annuity and critical illness. Well Link General Insurance Company Limited carries on general insurance business in Hong Kong with a focus on online motor business. Well Link Securities carries on securities and futures dealing activities in Hong Kong. Mr. Xu Chujia is also the controlling shareholder and an executive director of Zhaobangji Lifestyle, a company listed on the Main Board of the Stock Exchange (Stock Code: 1660). Zhaobangji Lifestyle and its subsidiaries are principally engaged in the trading of machinery and spare parts, leasing of machinery and provision of related services, provision of transportation services in Hong Kong, and provision of property management services, leasing of machinery and property leasing and subletting in the PRC.

Ms. Zhan Meiqing, aged 42, is a non-executive director of Zhaobangji Lifestyle and a responsible officer of Well Link Securities. Ms. Zhan Meiqing obtained her bachelor's degree in law from East China College of Political Science and Law* (華東政法學院) (currently known as East China University of Political Science and Law (華東政法大學)) in Shanghai, the PRC, a master's degree in laws from the City University of Hong Kong and a master's degree in laws in international legal studies from The American University, Washington College of Law. She has over 10 years of experience in the legal, finance and real estate industry in Hong Kong and the PRC. Ms. Zhan is currently a United States attorney (New York), a qualified PRC lawyer as well as a registered foreign lawyer in Hong Kong.

The Offeror, its ultimate beneficial owners and parties acting in concert with any of them are third parties independent of, and not connected with, either the Company or any of its connected persons.

INTENTIONS OF THE OFFEROR REGARDING THE GROUP

On 16 November 2023, the Offeror became the controlling shareholder of the Company and interested in 559,504,000 Shares after the Completion, representing approximately 69.94% of the total issued share capital of the Company.

As at the Latest Practicable Date, the intention of the Offeror is that the Company's existing principal activities will be maintained, and at the same time upon completion of the Offer, the Offeror will assist the Company in reviewing its business and operations and seek for new investment opportunities. Save for the Offeror's intention regarding the Group as set out above, as at the Latest Practicable Date, no investment or business opportunity has been identified nor has the Offeror entered into any agreements, arrangements, understandings or negotiation in relation to the injection of any assets or business into the Group.

LETTER FROM WELL LINK SECURITIES

The Offeror has no intention to introduce major changes to the business of the Group, including any redeployment of fixed assets other than those in its ordinary course of business. The Offeror also has no intention, understanding, obligation, negotiation or arrangement (concluded or otherwise) to downsize, cease or dispose existing business of the Group. The Offeror may make some changes to the composition of the Board by nominating new Directors so as to facilitate the business operation and management of the Group. As at the Latest Practicable Date, the Offeror has not reached any final decision as to who will be nominated as new Director(s) of the Company. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and the GEM Listing Rules and further announcement(s) will be made as and when appropriate.

The Offeror has no plan to terminate the employment of any existing senior management personnel and employees of the Group. Instead, the Offeror is inclined to work together with the senior management of the Company and to leverage on their expertise and experience to further promote the growth of the Group. The Offeror will, depending on the business operations and development of the Group in the future, constantly review the employee structure of the Group so as to meet the needs of the Group from time to time. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group's businesses and operations to increase the value of the Group.

PROPOSED CHANGE OF BOARD COMPOSITION

The Board is currently made up of six Directors, comprising three executive Directors, being Mr. Poon Kwok Wah Allan, Ms. Lee Mei Chun and Ms. Choi Ching Jennifer, one non-executive Director, being Mr. Lam Ka Tai, and two independent non-executive Directors, being Mr. Chin Kam Cheung and Mr. Siu Miu Man, M.H..

The Offeror intends to nominate new director(s) to the Board with effect after the completion of the Offer. As at the Latest Practicable Date, the Offeror has not reached any final decision as to who will be nominated as new Director(s) of the Company. As at the Latest Practicable Date, none of the existing Directors has intention to resign from the Board. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and the GEM Listing Rules and further announcement(s) will be made as and when appropriate.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public at all times or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares.

LETTER FROM WELL LINK SECURITIES

Therefore, it should be noted that upon close of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares. The Offeror, the Directors and the directors of the Offeror have jointly and severally undertaken and the directors of the Offeror and the new directors to be appointed to the Board proposed by the Offeror will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. The Offeror intends to maintain the listing of the Shares on GEM of the Stock Exchange and will take appropriate steps (including but not limited to placement of Shares) as soon as possible following the close of the Offer to ensure that a sufficient public float exists for the Shares.

COMPULSORY ACQUISITION

The Offeror does not intend to exercise any right which may be available to it to compulsorily acquire any outstanding Offer Shares not acquired under the Offer after the close of the Offer.

GENERAL

This Composite Document has been prepared for the purposes of complying with the laws of Hong Kong, the Takeovers Code and the GEM Listing Rules and the information disclosed may not be the same as which would have been disclosed if this Composite Document had been prepared in accordance with the laws of jurisdictions outside Hong Kong.

To ensure equality of treatment of all Independent Shareholders, those Independent Shareholders who hold Shares as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

The attention of the Overseas Independent Shareholders is drawn to the section headed "OVERSEAS INDEPENDENT SHAREHOLDERS" contained in this Composite Document and the paragraph headed "7. Overseas Independent Shareholders" and "8. General" in Appendix I to this Composite Document.

All documents and remittances to be sent to the Independent Shareholders will be sent to them by ordinary post at their own risk. Such documents and remittances will be sent to the Independent Shareholders at their respective addresses as they appear in the register of members of the Company or in the case of joint Shareholders, to such Shareholder whose name appears first in the register of members of the Company. None of the Offeror, its ultimate beneficial owners and parties acting in concert with any one of them, the Company, Silver Nile, Jun Hui International, Messis Capital, Well Link Securities, the Registrar or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other persons involved in the Offer will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof or in connection therewith.

LETTER FROM WELL LINK SECURITIES

WARNING

Independent Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

ADDITIONAL INFORMATION

Your attention is drawn to the “LETTER FROM THE BOARD”, the “LETTER FROM THE INDEPENDENT BOARD COMMITTEE” and the “LETTER FROM THE INDEPENDENT FINANCIAL ADVISER” as set out in this Composite Document, the accompanying Form of Acceptance and the additional information set out in the appendices to, which form part of, this Composite Document and to consult your professional advisers, before deciding whether or not to accept the Offer.

Yours faithfully
For and on behalf of
Well Link Securities Limited
Ning Chun Kit, Jack
Responsible Officer

LETTER FROM THE BOARD



Excalibur Global Financial Holdings Limited

駿溢環球金融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8350)

Executive Directors:

Poon Kwok Wah Allan (*Chairman*)

Lee Mei Chun

Choi Ching Jennifer

Non-executive Director:

Lam Ka Tai

Independent Non-executive Directors:

Chin Kam Cheung

Siu Miu Man, *M.H.*

Registered Office:

PO Box 1350, Clifton House

75 Fort Street

Grand Cayman KY1-1108

Cayman Islands

*Head Office and Principal Place of
Business in Hong Kong*

Unit 3711

37/F, West Tower

Shun Tak Centre

168–200 Connaught Road Central

Sheung Wan

Hong Kong

23 November 2023

To the Independent Shareholders

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
WELL LINK SECURITIES LIMITED
FOR AND ON BEHALF OF THE OFFEROR
TO ACQUIRE ALL OF THE ISSUED SHARES IN
EXCALIBUR GLOBAL FINANCIAL HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR
AGREED TO BE ACQUIRED BY THE OFFEROR AND/OR
PARTIES ACTING IN CONCERT WITH IT)**

LETTER FROM THE BOARD

INTRODUCTION

1. Introduction

On 26 June 2023, the Offeror and the Company published the Joint Announcement to announce that on 26 June 2023 (after trading hours), the Vendors (as vendors) and the Offeror (as purchaser) entered into the Sale and Purchase Agreement, pursuant to which the Offeror conditionally agreed to acquire from the Vendors and the Vendors conditionally agreed to sell to the Offeror an aggregate of 559,504,000 Shares, representing approximately 69.94% of the total issued share capital of the Company as at the date of the Joint Announcement, for a total cash consideration of HK\$37,000,000 (equivalent to approximately HK\$0.0661 per Sale Share).

Immediately prior to Completion, none of the Offeror, its ultimate beneficial owners and their respective parties acting in concert owned any Shares or any other convertible securities, options, warrants or derivatives in the Company. Immediately following the Completion which took place on 16 November 2023, the Offeror, its ultimate beneficial owners and their respective parties acting in concert own 559,504,000 Shares (representing approximately 69.94 % of the entire issued share capital of the Company as at the Latest Practicable Date). Accordingly, the Offeror is required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it).

2. The Offer

Well Link Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, is making the Offer on the following basis:

For each Offer Share HK\$0.0661 in cash

The Offer Price of HK\$0.0661 per Offer Share under the Offer is equal to the price per Sale Share paid by the Offeror for the Sale Shares under the Sale and Purchase Agreement.

Further details of the terms of the Offer and the procedures for acceptances are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

Effect of accepting the Offer

Acceptance of the Offer by any Independent Shareholders will be deemed to constitute a warranty by such person that all Shares sold by such person under the Offer are free from all Encumbrances and with all rights and benefits at any time accruing and attached to them, including without limitation the rights to receive all dividends and distributions declared, made or paid on or after the date on which the Offer is made, that is, the date of despatch of this Composite Document.

LETTER FROM THE BOARD

The Company confirms that as at the Latest Practicable Date, (i) it does not have any dividend or distribution recommended, declared or made but unpaid; and (ii) it does not have any intention to make, declare or pay any future dividend/make other distributions until the close of the Offer.

Independent Shareholders are reminded to read the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser in respect of the Offer which are included in the “Letter from the Independent Board Committee” and the “Letter from the Independent Financial Adviser” as contained in this Composite Document.

3. Comparison of Value

Offer Price

The Offer Price of the Offer of HK\$0.0661 per Offer Share represents:

- a discount of approximately 76.81% on the closing price of HK\$0.285 per Share as quoted on the Stock Exchange on 20 November 2023, being the Latest Practicable Date;
- a discount of approximately 71.26% on the closing price of HK\$0.23 per Share as quoted on the Stock Exchange on 23 June 2023, being the Last Trading Day;
- a discount of approximately 72.23% on the average closing price of approximately HK\$0.238 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- a discount of approximately 72.17% on the average closing price of approximately HK\$0.2375 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- a discount of approximately 71.51% on the average closing price of approximately HK\$0.232 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- a discount of approximately 68.15% over the average closing price of approximately HK\$0.2075 per Share as quoted on the Stock Exchange for the last 60 trading days immediately prior to and including the Last Trading Day;

LETTER FROM THE BOARD

- a premium of approximately HK\$0.06767 over the audited consolidated net liabilities of the Group of approximately HK\$0.00157 per Share as at 31 December 2022 calculated based on the audited deficit of the Group as at 31 December 2022 of approximately HK\$1,256,000 and 800,000,000 Shares in issue as at the date of the Joint Announcement; and
- a premium of approximately HK\$0.06486 (being approximately 5,230.65%) over the unaudited consolidated net asset value of the Group of approximately HK\$0.00124 per Share as at 30 June 2023 calculated based on the unaudited equity of the Group as at 30 June 2023 of approximately HK\$993,000 and 800,000,000 Shares in issue as at the date of the Joint Announcement.

Highest and lowest trading prices

During the Relevant Period, the highest and the lowest closing prices of the Shares as quoted on the Stock Exchange were HK\$0.360 per Share on 1 August 2023 and 2 August 2023 and HK\$0.074 per Share on 21 March 2023.

Total value of the Offer

As at the Latest Practicable Date, 800,000,000 Shares were in issue and the Company did not have any outstanding options, warrants or derivatives or other securities which are convertible or exchangeable into the Shares and has not entered into any agreement for the issue of such kinds of securities. On the basis of the Offer Price of HK\$0.0661 per Offer Share, the entire issued share capital of the Company would be valued at approximately HK\$52,880,000.

Assuming that there is no change in the issued share capital of the Company before the Offer is closed, the aggregate value of the Offer is HK\$15,896,785.6 based on the Offer Price of HK\$0.0661 per Offer Share.

LETTER FROM THE BOARD

Financial resources available for the Offer

The Offeror intends to finance and satisfy the maximum consideration payable under the Offer by the Facility. As security to the Facility, the Offeror as chargor has entered into the Share Charge in respect of the Sale Shares acquired from the Vendors under the Sale and Purchase Agreement and the Shares to be acquired under the Offer, in favour of Well Link Securities.

The Completion took place on 16 November 2023 and the Offeror paid the Consideration in cash to the Vendors at the Completion.

Silver Nile, Jun Hui International and Messis Capital, being the joint financial advisers to the Offeror, are satisfied that sufficient financial resources are, and will remain to be, available to the Offeror to satisfy the maximum consideration payable upon full acceptance of the Offer.

The Offeror does not intend that the payment of interest on, repayment of, or security for, any liability (contingent or otherwise) relating to the Facility will depend to any significant extent on the business of the Company.

4. Information on the Offeror and the Group

(1) Information on the Offeror

Your attention is drawn to the paragraph headed “Letter from Well Link Securities – Information on the Offeror” and Appendix III “General Information relating to the Offeror” to this Composite Document.

(2) Information on the Group

The Company is incorporated in the Cayman Islands with limited liability and its issued shares have been listed on GEM of the Stock Exchange since 12 January 2018. The Group’s principal activities are brokerage business, money lending business and providing equity and debt securities placing services and investment advisory services. As at the Latest Practicable Date, there is one Licensed Corporation in the Group, namely Excalibur Global Financial Group Limited (駿溢環球金融集團有限公司), an indirect wholly-owned subsidiary of the Company, holding licenses issued by the SFC in relation to type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 5 (advising on futures contracts) regulated activities under the SFO.

LETTER FROM THE BOARD

Set out below is a summary of (i) the audited consolidated financial results of the Group for each of the two financial years ended 31 December 2021 and 2022 as extracted from the annual reports of the Company for the years ended 31 December 2021 and 2022; (ii) the unaudited consolidated financial results of the Group for the nine months ended 30 September 2022 and 2023 as extracted from the third quarterly reports of the Company for the nine months ended 30 September 2022 and 2023:

	As at/ for the financial year ended		As at/ for the nine months ended	
	31 December 2022	31 December 2021	30 September 2023	30 September 2022
	(audited)	(audited)	(unaudited)	(unaudited)
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Revenue	7,022	6,603	22,383	5,344
(Loss)/profit before tax	(14,384)	(23,069)	11,380	(9,163)
(Loss)/profit and total comprehensive income attributable to equity shareholders of the Company for the year/period	(12,740)	(20,167)	9,085	(7,888)
Net (liabilities)/assets	(1,256)	11,484	7,829	3,596

Further details of the Group are set out in Appendix II “Financial Information of the Group” and Appendix IV “General Information relating to the Company” to this Composite Document.

In deciding whether or not to accept the Offers, the Independent Shareholders should consider the material uncertainty related to going concern raised by the auditors of the Group in the annual report of the Company for the year ended 31 December 2022 (the “Annual Report 2022”) (for further details please refer to Appendix II to this Composite Document), which may have an impact to the financial results of the Company.

LETTER FROM THE BOARD

Pursuant to Note 3 to Rule 2 of the Takeovers Code, the Board would like to draw the attention of the Independent Shareholders and the Independent Board Committee to the material uncertainty in respect of the “going concern” issue (please refer to Appendix II to this Composite Document for details). The material uncertainty relating to the “going concern” basis of the Company means that the Independent Shareholders are advised to take into account the foregoing and consider carefully the terms of the Offers. If the Independent Shareholders decide not to accept the Offers, they should be aware of the potential risks associated with the material uncertainty in respect of the “going concern” issue.

(3) *Shareholding in the Company*

The shareholding structure of the Company immediately before was, and after the Completion and as at the Latest Practicable Date is:

	Immediately before Completion		Immediately after the Completion and as at the Latest Practicable Date	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Offeror and its concert parties	–	–	559,504,000	69.94
Vendors and its concert parties	559,504,000	69.94	–	–
– Vendor A (<i>Note 1 & 2</i>)	287,999,940	36.00	–	–
– Vendor B (<i>Note 2</i>)	271,504,060	33.94	–	–
Independent Shareholders	<u>240,496,000</u>	<u>30.06</u>	<u>240,496,000</u>	<u>30.06</u>
Total	<u><u>800,000,000</u></u>	<u><u>100.00</u></u>	<u><u>800,000,000</u></u>	<u><u>100.00</u></u>

Notes:

1. Vendor A is an executive Director and chairman of the Company.
2. On 27 October 2017, Vendor A and Vendor B (the “**Controlling Shareholders**”) entered into the Concert Parties Confirmatory Deed to acknowledge and confirm, amongst other things, that they are parties acting in concert in respect of each of the members of the Company. As such, pursuant to the parties acting in concert arrangement, each of the Controlling Shareholders is deemed to be interested in 69.94% of the issued share capital of the Company.
3. Other than as disclosed above, no other Directors hold any Shares or securities of the Company.

LETTER FROM THE BOARD

5. Intentions of the Offeror in relation to the Group

On 16 November 2023, the Offeror became the controlling shareholder of the Company and interested in 559,504,000 Shares after the Completion, representing approximately 69.94% of the total issued share capital of the Company.

The Board is pleased to learn that, as at Latest Practicable Date, the intention of the Offeror is that the Company's existing principal activities will be maintained, and at the same time upon completion of the Offer, the Offeror will assist the Company in reviewing its business and operations and seek for new investment opportunities. Save for the Offeror's intention regarding the Group as set out above, as at the Latest Practicable Date, no investment or business opportunity has been identified nor has the Offeror entered into any agreements, arrangements, understandings or negotiation in relation to the injection of any assets or business into the Group.

The Offeror has no intention to introduce major changes to the business of the Group, including any redeployment of fixed assets other than those in its ordinary course of business. The Offeror also has no intention, understanding, obligation, negotiation or arrangement (concluded or otherwise) to downsize, cease or dispose existing business of the Group. The Offeror may make some changes to the composition of the Board by nominating new Directors so as to facilitate the business operation and management of the Group. As at the Latest Practicable Date, the Offeror has not reached any final decision as to who will be nominated as new Director(s) of the Company. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and the GEM Listing Rules and further announcement(s) will be made as and when appropriate.

The Offeror has no plan to terminate the employment of any existing senior management personnel and employees of the Group. Instead, the Offeror is inclined to work together with the senior management of the Company and to leverage on their expertise and experience to further promote the growth of the Group. The Offeror will, depending on the business operations and development of the Group in the future, constantly review the employee structure of the Group so as to meet the needs of the Group from time to time. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group's businesses and operations to increase the value of the Group.

Proposed change of Board composition of the Company

As at the Latest Practicable Date, the Board comprises Mr. Poon Kwok Wah Allan, Ms. Lee Mei Chun and Ms. Choi Ching Jennifer as executive Directors, Mr. Lam Ka Tai as non-executive Director and Mr. Chin Kam Cheung and Mr. Siu Miu Man, M.H. as independent non-executive Directors.

LETTER FROM THE BOARD

The Offeror intends to nominate new Director(s) to the Board with effect from the earliest time permitted under the Takeovers Code. As at the Latest Practicable Date, the Offeror has not reached any final decision as to who will be nominated as new Director(s) of the Company. As at the Latest Practicable Date, none of the existing Directors has intention to resign from the Board. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and the GEM Listing Rules and further announcement(s) will be made as and when appropriate.

Public float and maintaining the listing status of the Company

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public at all times, or if the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
- that there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares.

Therefore, it should be noted that upon close of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares. The Offeror, the Directors and the directors of the Offeror have jointly and severally undertaken and the directors of the Offeror and the new directors to be appointed to the Board proposed by the Offeror will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. The Offeror intends to maintain the listing of the Shares on GEM of the Stock Exchange and will take appropriate steps (including but not limited to placement of Shares) as soon as possible following the close of the Offer to ensure that a sufficient public float exists for the Shares.

6. Independent Board Committee and Independent Financial Adviser

An Independent Board Committee, comprising all independent non-executive Directors (namely, Mr. Chin Kam Cheung and Mr. Siu Miu Man, M.H.), has been established in accordance with Rule 2.1 of the Takeovers Code to advise and give a recommendation to the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. As the non-executive Director, namely Mr. Lam Ka Tai, acts as a director of Well Link Financial Holdings Europe Limited, a company controlled by Mr. Xu Chujia, who beneficially owns 97% of the Offeror, Mr. Lam is not included in the Independent Board Committee.

LETTER FROM THE BOARD

Rainbow Capital (HK) Limited has been appointed as the Independent Financial Adviser to the Independent Board Committee to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

For the opinions and advice of the Independent Financial Adviser, please refer to the “Letter from the Independent Financial Adviser” as contained in this Composite Document.

7. Taxation

Hong Kong stamp duty

The vendor’s ad valorem stamp duty at a rate of 0.1% of the market value of the Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the cash amount payable to the relevant Shareholders on acceptance of the Offer. The Offeror will arrange for payment of the vendor’s ad valorem stamp duty on behalf of accepting Shareholders and pay the buyer’s ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Taxation advice

The Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, the Company, the Vendors, the Independent Financial Adviser, Silver Nile, Jun Hui International, Messis Capital, Well Link Securities, the Registrar or parties acting in concert with any of them or any of their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

8. Recommendation

Your attention is drawn to (i) the “Letter from the Independent Board Committee” as set out on pages 32 to 33 of this Composite Document which contains the recommendation of the Independent Board Committee to the Independent Shareholders as to whether the Offer is, or is not, fair and reasonable and as to their acceptance of the Offer; and (ii) the “Letter from the Independent Financial Adviser” as set out on pages 34 to 59 of this Composite Document which contains the advice of the Independent Financial Adviser to the Independent Board Committee in connection with the Offer and the principal factors considered by it in arriving at its advice.

LETTER FROM THE BOARD

9. Additional Information

Your attention is drawn to the additional information contained in the appendices to this Composite Document. Further details on the terms and the procedures for acceptance of the Offer are set out in Appendix I “Further Terms and Procedures for Acceptance of the Offer” to this Composite Document and the accompanying Form of Acceptance. You are also recommended to read carefully the Form of Acceptance for further details in respect of the procedures for acceptance of the Offer.

By order of the Board of
Excalibur Global Financial Holdings Limited
Poon Kwok Wah Allan
Chairman



Excalibur Global Financial Holdings Limited

駿溢環球金融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8350)

23 November 2023

To the Independent Shareholders

Dear Sirs,

**MANDATORY UNCONDITIONAL CASH OFFER BY
WELL LINK SECURITIES LIMITED
FOR AND ON BEHALF OF THE OFFEROR
TO ACQUIRE ALL OF THE ISSUED SHARES IN
EXCALIBUR GLOBAL FINANCIAL HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR
AGREED TO BE ACQUIRED BY THE OFFEROR AND/OR
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We have been appointed to form the Independent Board Committee to consider the terms of the Offer and to advise you (i.e. the Independent Shareholders) as to, in our opinion, whether or not the Offer is fair and reasonable and to make recommendation in respect of acceptance of the Offer or not.

Rainbow Capital (HK) Limited has been appointed as the Independent Financial Adviser to us to make recommendation to us in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code or not. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code. Details of its advice and recommendation, together with the principal factors and reasons which it has considered before arriving at such recommendation, are set out in the “Letter from the Independent Financial Adviser” as contained in this Composite Document.

We also wish to draw your attention to the “Letter from the Board” and the additional information set out in the appendices to this Composite Document.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Taking into account the terms of the Offer and the independent advice and recommendations from the Independent Financial Adviser, we consider that the Offer is not fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders not to accept the Offer.

The Independent Shareholders are recommended to read the full text of the “Letter from the Independent Financial Adviser” as contained in this Composite Document.

Yours faithfully,

For and on behalf of the Independent Board Committee of

Excalibur Global Financial Holdings Limited

Mr. Chin Kam Cheung

Independent non-executive Director

Mr. Siu Miu Man, M.H.

Independent non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Rainbow Capital, the Independent Financial Adviser to the Independent Board Committee in respect of the Offer, which has been prepared for the purpose of incorporation in this Composite Document.

Rainbow Capital (HK) Limited

23 November 2023

To: the Independent Board Committee

Dear Sirs,

**MANDATORY UNCONDITIONAL CASH OFFER BY
WELL LINK SECURITIES LIMITED
FOR AND ON BEHALF OF THE OFFEROR
TO ACQUIRE ALL THE ISSUED SHARES OF
EXCALIBUR GLOBAL FINANCIAL HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND
AGREED TO BE ACQUIRED BY THE OFFEROR AND/OR
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer, details of which are set out in the “Letter from the Board” of this Composite Document to the Independent Shareholders dated 23 November 2023, of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in this Composite Document.

On 26 June 2023 (after trading hours), the Vendors (as vendors) and the Offeror (as purchaser) entered into the Sale and Purchase Agreement, pursuant to which the Offeror conditionally agreed to acquire from the Vendors and the Vendors conditionally agreed to sell to the Offeror an aggregate of 559,504,000 Shares, representing approximately 69.94% of the total issued share capital of the Company as at the Latest Practicable Date, for the Consideration of HK\$37,000,000 (equivalent to approximately HK\$0.0661 per Sale Share), which was fully settled in cash upon Completion. The Completion was conditional upon the Conditions being fulfilled or waived (as the case may be) as set out in the Sale and Purchase Agreement. The Completion took place on the Completion Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 26.1 of the Takeovers Code, Completion having occurred, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror, its ultimate beneficial owners and parties acting in concert with any of them). Well Link Securities is, for and on behalf of the Offeror and in compliance with the Takeovers Code, making the Offer to acquire all the Offer Shares at the Offer Price of HK\$0.0661 per Offer Share which is equal to the price per Sale Share paid by the Offeror for the Sale Shares under the Sale and Purchase Agreement.

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising two independent non-executive Directors (namely, Mr. Chin Kam Cheung and Mr. Siu Miu Man, M.H.) has been established to make a recommendation to the Independent Shareholders in respect of the Offer as to whether the Offer is fair and reasonable and as to acceptance of the Offer. As the non-executive Director, namely Mr. Lam Ka Tai, acts as a director of Well Link Financial Holdings Europe Limited, a company controlled by Mr. Xu Chujia, who beneficially owns 97% of the Offeror, Mr. Lam Ka Tai is not included in the Independent Board Committee. The Independent Board Committee has approved the appointment of Rainbow Capital (HK) Limited as the Independent Financial Adviser to the Independent Board Committee in the same regard.

We are not associated or connected financially or otherwise with the Company, the Offeror, their respective substantial shareholders and professional advisers, or any party acting, or presumed to be acting, in concert with any of them. In the last two years prior to the commencement of the Offer Period, there was no engagement or connection between the Group or the Offeror on one hand and us on the other hand. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, the Offeror, their respective substantial shareholders and financial or other professional advisers, or any party acting, or presumed to be acting, in concert with any of them. Accordingly, we are considered eligible to give independent advice to the Independent Board Committee.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have considered, among other things, (i) the information and facts contained or referred to in this Composite Document; (ii) the annual reports of the Company for the two years ended 31 December 2022, the interim report of the Company for the six months ended 30 June 2023 and the third quarterly report of the Company for the nine months ended 30 September 2023; (iii) the information and opinions provided by the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in this Composite Document were true, accurate and complete in all material respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in this Composite Document are true in all material respects at the time they were made and continue to be true in all material respects as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

to in this Composite Document were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of such information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in this Composite Document and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all material respects at the time they were made and continued to be so until the Latest Practicable Date.

The Independent Shareholders will be informed by the Company and us as soon as possible if there is any material change to the information disclosed in this Composite Document during the Offer Period, in which case we will consider whether it is necessary to revise our opinion and inform the Independent Board Committee and the Independent Shareholders accordingly.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in this Composite Document so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company, the Offeror or any of their respective subsidiaries and associates.

We have not considered the tax and regulatory implications on the Independent Shareholders of acceptance or non-acceptance of the Offer since these depend on their individual circumstances. In particular, the Independent Shareholders who are residents 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 advisers.

PRINCIPAL TERMS OF THE OFFER

Well Link Securities is, for and on behalf of the Offeror and in compliance with the Takeovers Code, making the Offer to acquire all the Offer Shares (other than those already owned or agreed to be acquired by the Offeror, its ultimate beneficial owners and parties acting in concert with any of them) on the following basis:

For each Offer Share HK\$0.0661 in cash

The Offer Price of HK\$0.0661 per Offer Share under the Offer is equal to the price per Sale Share paid by the Offeror for the Sale Shares under the Sale and Purchase Agreement. The Offer will be extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Company confirms that as at the Latest Practicable Date, (i) it does not have any dividend or distribution recommended, declared or made but unpaid; and (ii) it does not have any intention to make, declare or pay any future dividend/make other distributions until the close of the Offer.

The Offer is unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimum number of the Offer Shares.

Further details of the Offer including, among other things, the expected timetable and the terms and procedures for acceptance of the Offer are set out in the sections headed “Expected timetable”, “Letter from Well Link Securities” and “Further terms and procedures for acceptance of the Offer” to this Composite Document and the Form of Acceptance.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation with regard to the Offer, we have taken into account the following principal factors and reasons:

1. Information and historical financial performance of the Group

The Group is principally engaged in futures and options, stock options and securities broking, margin financing business and money lending business. In order to diversify its business and revenue stream, the Group has entered into money lending business in early 2022, financed by the placement of notes amounting to approximately HK\$40 million. Since then, the money lending business has been one of the core businesses of the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(i) Financial performance

Set out below is a summary of (a) the audited financial information of the Group for the two years ended 31 December 2022 (“**FY2021**” and “**FY2022**”, respectively) as extracted from the annual report of the Company for FY2022 (the “**2022 Annual Report**”); and (b) the unaudited financial information of the Group for the nine months ended 30 September 2022 and 2023 (“**9M 2022**” and “**9M 2023**”, respectively) as extracted from the third quarterly report of the Company for 9M 2023 (the “**2023 Q3 Report**”):

	FY2021 <i>HK\$'000</i> (audited)	FY2022 <i>HK\$'000</i> (audited)	9M 2022 <i>HK\$'000</i> (unaudited)	9M 2023 <i>HK\$'000</i> (unaudited)
Revenue	6,603	7,022	5,344	22,383
– Brokerage services and margin financing business	6,603	4,102	3,208	18,697
– Money lending business	–	2,920	2,136	1,867
– Advisory service business	–	–	–	1,819
Other net income	318	773	287	106
Impairment (losses)/ reversal	(3,573)	(3,813)	–	684
Salaries and other benefits	(7,574)	(6,125)	(4,571)	(4,547)
Other operating and administrative expenses	(17,927)	(10,160)	(8,672)	(6,012)
Finance costs	(916)	(2,081)	(1,551)	(1,234)
(Loss)/Profit before tax	(23,069)	(14,384)	(9,163)	11,380
Income tax credit/ (expense)	2,902	1,644	1,275	(2,295)
(Loss)/Profit attributable to the Shareholders	(20,167)	(12,740)	(7,888)	9,085

FY2022 compared to FY2021

For FY2022, the Group’s revenue was approximately HK\$7.0 million, representing an increase of approximately 6.3% from approximately HK\$6.6 million for FY2021. Such increase was mainly driven by the interest revenue derived from the new money lending business set up in 2022, which was partially offset by the decrease in revenue from brokerage services and margin financing business by approximately 37.9% primarily attributable to the drop in brokerage commission charged in order to retain the existing clients from the PRC and the decrease in number of active clients and number of trades due to the intense competition from other internet broker firms.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group's loss attributable to the Shareholders decreased by approximately 36.8% from approximately HK\$20.2 million for FY2021 to approximately HK\$12.7 million for FY2022. Such decrease was primarily attributable to (a) the increase in revenue as mentioned above; (b) the decrease in salaries and other benefits by approximately HK\$1.4 million as a result of the dismissal of several staff in 2021; and (c) the decrease in other operating and administrative expenses by approximately HK\$7.8 million as a result of the implementation of cost-cutting measures and the decrease in the carrying amount of the right-of-use assets, which was partially offset by (a) the increase in finance costs by approximately HK\$1.2 million; and (b) the decrease in income tax credit by approximately HK\$1.3 million due to the decrease in tax loss.

9M 2023 compared to 9M 2022

For 9M 2023, the Group's revenue was approximately HK\$22.4 million, representing a significant increase of approximately 318.8% from approximately HK\$5.3 million for 9M 2022. Such surge in revenue was mainly attributed to the Group's effort to explore more revenue streams beyond the brokerage business and money lending business. Starting from second quarter of 2023, the Group expanded to offer equity and debt securities placing services, investment advisory services and also commenced to act as an introducing broker and earn commission income by referring prospective and suitable clients to other brokers for US securities trade execution while the Group only provides brokerage services for securities traded on Stock Exchange. Accordingly, approximately HK\$18.4 million of revenue were generated from these three new business streams, representing approximately 82.1% of the Group's total revenue.

The Group turnaround from loss attributable to the Shareholders of approximately HK\$7.9 million for 9M 2022 to profit attributable to Shareholders of approximately HK\$9.1 million for 9M 2023. The turnaround was primarily attributable to the (i) the increase in revenue as mentioned above; and (ii) decrease in other operating and administrative expenses by approximately HK\$2.7 million mainly due to the decrease in depreciation expense of right of-use assets as most of the carrying amount of right-of-use assets has been impaired in 2022 and decrease of one-off relocation cost of office incurred in 9M 2022.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(ii) Financial position

Set out below is a summary of the consolidated statements of financial position of the Group as at 31 December 2020, 2021 and 2022 and 30 June 2023 as extracted from the annual report of the Company for FY2021, the 2022 Annual Report and the interim report of the Company for the six months ended 30 June 2023 (“**6M 2023**”) (the “**2023 Interim Report**”):

	As at 31 December			As at
	2020	2021	2022	30 June
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(audited)	(unaudited)
Non-current assets, including:	19,200	16,353	16,172	15,532
– Right-of-use assets	8,026	2,807	174	129
– Statutory deposits	5,006	5,032	5,042	5,040
– Deferred tax assets	4,693	7,595	9,406	8,697
– Loan and interest receivables	–	–	1,550	1,627
Current assets, including:	52,442	30,554	49,960	42,602
– Accounts receivables arising from ordinary course of business	31,320	22,970	16,766	23,618
– Loan and interest receivables	–	–	26,263	12,498
– Cash and cash equivalents	19,559	5,637	5,861	5,120
Total assets	71,642	46,907	66,132	58,134
Current liabilities, including:	35,509	22,375	25,374	16,130
– Accounts payables arising from ordinary course of business	30,606	18,992	11,834	11,513
– Bank borrowing	–	–	9,400	–
Net current assets	16,933	8,179	24,586	26,472
Non-current liabilities:	4,482	13,048	42,014	41,011
– Lease liabilities	4,482	3,648	2,014	1,011
– Bank borrowing	–	9,400	–	–
– Notes payables	–	–	40,000	40,000
Total liabilities	39,991	35,423	67,388	67,483
Net assets/(liabilities)	31,651	11,484	(1,256)	993
Current ratio (Note 1)	1.5	1.4	2.0	2.6

Note:

1. Being current assets divided by current liabilities.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at 30 June 2023, total assets of the Group were approximately HK\$58.1 million, mainly consisted of (a) statutory deposits of approximately HK\$5.0 million, being the reserve fund deposits with HKFE Clearing Corporation Limited and SEHK Options Clearing House Limited; (b) deferred tax assets of approximately HK\$8.7 million; (c) loan and interest receivables of approximately HK\$14.1 million, including corporate structured loans made to corporates with interest rates ranging from 11.4% to 12.6% per annum and mortgage loans made to individuals with interest rates ranging from 18% to 19.2% per annum; (d) accounts receivables arising from ordinary course of business of approximately HK\$23.6 million; and (e) cash and cash equivalents of approximately HK\$5.1 million.

As at 30 June 2023, total liabilities of the Group were approximately HK\$67.5 million, mainly consisted of (a) accounts payables arising from ordinary course of business of approximately HK\$11.5 million which represented margin deposits received from clients for their trading of future contracts and options; and (b) notes payables of HK\$40.0 million which were unsecured, bear interest at 3% per annum, payable annually in arrears and will be matured on 30 January 2025.

As at 30 June 2023, the Group had net current assets and net assets of approximately HK\$26.5 million and HK\$1.0 million, respectively, with a current ratio of approximately 2.6 times. The financial position of the Group improved as the Group expanded its revenue stream to offer equity and debt securities placing services and investment advisory services in 6M 2023. As stated in the 2023 Interim Report, the Directors consider that the new business are promising and could continue to bring significant revenue to the Group in the coming quarters. Meanwhile, the management of the Group will also continue to explore more business opportunities besides brokerage business to further improve the business performance and position of the Group.

(iii) Material uncertainty related to going concern

Based on the independent auditor's report of the Company for FY2022, the Group incurred a net loss attributable to the Shareholders of approximately HK\$12.7 million and had approximately HK\$36.8 million net cash used in operating activities for FY2022. In addition, the Group had net liabilities of approximately HK\$1.3 million as at 31 December 2022. As at 31 December 2022, the Group's total borrowings amounted to approximately HK\$49.4 million, while its cash and cash equivalents amounted to approximately HK\$5.9 million only. The independent auditor of the Company was of the view that these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Their opinion is not modified in respect of this matter. Please refer to Appendix II to this Composite Document for further details.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Nevertheless, the Group recorded a profit attributable to the Shareholders of approximately HK\$9.1 million and HK\$2.2 million for 9M 2023 and 6M2023, respectively, and had approximately HK\$9.9 million net cash generated from operating activities for 6M 2023. In addition, the Group had net assets of approximately HK\$993,000 as at 30 June 2023. As at 30 June 2023, the Group's borrowings were repaid and the non-current liabilities primarily consisted of notes payable of HK\$40.0 million which are unsecured, bear interest at 3% per annum, payable annually in arrears and will be matured on 30 January 2025. The Group's cash and cash equivalents amounted to approximately HK\$5.1 million as at 30 June 2023.

Taking into account (i) the significant improvement in the Group's financial results for 9M 2023 and 6M 2023 mainly attributed to the Group's effort to explore more revenue streams; (ii) the outlook for the brokerage industry and the money lending market in Hong Kong may be generally positive in the coming years as discussed in the section headed "3. Industry overview and outlook" below; and (iii) taking into account the experience of Mr. Xu Chujia in the financial services industry as detailed in the section headed "2. Information on the Offeror and its intention regarding the Group" below, Mr. Xu Chujia would likely to bring positive impact to the business operations of the Group, we consider the turnaround of the Group's financial performance is likely to be sustainable and concur with the Directors that the Group is able to operate as a going concern.

In deciding whether or not to accept the Offer, the Independent Shareholders are advised to take into account the foregoing and consider carefully the terms of the Offer. If the Independent Shareholders decide not to accept the Offer, they should carefully monitor the Group's financial performance. In particular, while the Group has no outstanding borrowings as at 30 June 2023, any change in the indebtedness position of the Group such as if the Group is not able to renew its borrowings or obtain new loan facility, the business and financial position of the Group would be adversely affected and in turn may adversely impact the price of the Shares. While there is currently no indication that the Group will not be able to renew its borrowings or obtain new loan facility, the Independent Shareholders should be aware of the potential risks associated with the material uncertainties relating to going concern.

(iv) Overall comment

The financial performance of the Group had significantly improved by the new revenue stream from the provision of equity and debt securities placing services, investment advisory services and introducing brokers service under the brokerage services and margin financing business segment and advisory service business segment respectively in 9M 2023 . Hence, the Group turnaround from loss for FY2022 to profit for 9M 2023. Given (i) the significant improvement in the Group's financial results for 9M 2023 mainly attributed to the Group's effort to explore more revenue streams,

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

including the provision of equity and debt securities placing services, investment advisory services and introducing brokers service as stated in the above; and (ii) the outlook for the brokerage industry and the money lending market in Hong Kong may be generally positive in the coming years as discussed in the section headed “3. Industry overview and outlook” below, we concur with the Directors that the financial performance of the Group is likely to continue to improve and the improvement would be sustainable.

In addition, as disclosed in the 2022 Annual Report, after the border between Hong Kong and the PRC was reopened, potential customers from the PRC could finally come to Hong Kong in person and open trading accounts with the Group. As the revenue from the customers from the PRC was the key to the Group’s financial performances in the past few years before COVID-19 pandemic, which accounted for approximately 71% of the Group’s revenue in 2019 while decreasing to 12% in 2022 due to the pandemic, it is expected that these potential customers could bring more brokerage income which will improve the financial results of the Group for the coming years. Save for the existing business, the Group will continue to search for more business opportunities beyond brokerage business to further increase the revenue of the Group. As at the Latest Practicable Date, the Group has yet to identify any potential new business.

2. Information on the Offeror and its intention regarding the Group

Details on the information on the Offeror and its intention regarding the Group are set out in the sections headed “Information on the Offeror” and “Intentions of the Offeror regarding the Group” in the “Letter from Well Link Securities” in this Composite Document, which are summarised as follows:

(i) Information on the Offeror

The Offeror was incorporated in the British Virgin Islands with limited liability as an investment holding company. As at the Latest Practicable Date, the Offeror is beneficially owned as to by 97% by Mr. Xu Chujia and 3% by Ms. Zhan Meiqing, the sister in-law of Mr. Xu Chujia. Mr. Xu Chujia is the majority shareholder of Banco Well Link S.A., Well Link Life Insurance Company Limited, Well Link General Insurance Company Limited and Well Link Securities, which carries on the activities of retail and corporate banking services, life insurance business, general insurance business and securities and futures dealing activities, respectively. Mr. Xu Chujia is also the controlling shareholder and an executive director of Zhaobangji Lifestyle, a company listed on the Main Board of the Stock Exchange (Stock Code: 1660) and principally engaged in the trading of machinery and spare parts, leasing of machinery and provision of related services, provision of transportation services in Hong Kong, and provision of property management services, leasing of machinery and property leasing and subletting in the PRC.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Considering Mr. Xu Chujia's 17 years of experience in management and business operations and 13 years of experience in the financial industry, especially in Well Link Securities which specializes in Hong Kong traded securities and futures, US stocks, Shanghai and Shenzhen China Connect A Shares, IPO subscription, as well as margin financing services, we believe Mr. Xu Chujia will enhance the Group's operation with his experience and ability.

(ii) Intention of the Offeror regarding the Group

(a) Business

As set out in the "Letter from Well Link Securities" in this Composite Document, as at the Latest Practicable Date, the intention of the Offeror is that the Company's existing principal activities will be maintained, and at the same time upon completion of the Offer, the Offeror will assist the Company in reviewing its business and operations and seek for new investment opportunities. Save for the Offeror's intention regarding the Group as set out above, as at the Latest Practicable Date, no investment or business opportunity has been identified nor has the Offeror entered into any agreements, arrangements, understandings or negotiation in relation to the injection of any assets or business into the Group.

The Offeror has no intention to introduce major changes to the business of the Group, including any redeployment of fixed assets other than those in its ordinary course of business. The Offeror has no plan to terminate the employment of any existing senior management personnel and employees of the Group. Instead, the Offeror is inclined to work together with the senior management of the Company and to leverage on their expertise and experience to further promote the growth of the Group. The Offeror will, depending on the business operations and development of the Group in the future, constantly review the employee structure of the Group so as to meet the needs of the Group from time to time. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group's businesses and operations to increase the value of the Group.

(b) Board composition

As at the Latest Practicable Date, the Board is made up of three executive Directors, namely Mr. Poon Kwok Wah Allan, Ms. Lee Mei Chun and Ms. Choi Ching Jennifer, one non-executive Director, being Mr. Lam Ka Tai, and two independent non-executive Directors, namely Mr. Chin Kam Cheung and Mr. Siu Miu Man, M.H..

The Offeror may make some changes to the composition of the Board by nominating new Directors so as to facilitate the business operation and management of the Group. As at the Latest Practicable Date, the Offeror has not

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

reached any final decision as to who will be nominated as new Director(s) of the Company. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and the Listing Rules and further announcement(s) will be made as and when appropriate.

(c) Maintenance of the Company's listing status

As stated in "Letter from Well Link Securities" in this Composite Document, the Offeror intends the Company to remain listed on the Stock Exchange. The Offeror, the Directors and the directors of the Offeror have jointly and severally undertaken and any new Director(s) proposed by the Offeror will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offer. These appropriate steps may include but not limited to placement of Shares held by the Offeror or parties acting in concert with it.

3. Industry overview and outlook

The Group is principally engaged in futures and options, stock options and securities broking, margin financing business, money lending business and advisory service business in Hong Kong, which accounted for approximately 51.8%, 6.6%, 41.6% and nil of total revenue for FY2022 and 81.9%, 1.7%, 8.3% and 8.1% of total revenue for 9M 2023. As the revenue contributed by the margin financing business accounted for less than 10% of total revenue for each of FY2022 and 9M 2023, we consider the prospects of this segment have relatively less impact on the Group and hence did not include the industry overview analysis on this segment.

(i) Brokerage business and advisory service business

The Group has been a provider of brokerage services in Hong Kong since 1994 with a focus on futures and options. The Group's revenue for brokerage business is mainly derived from future and options trading business in Hong Kong for FY2022, which contributed to approximately 51.8% of the Group's brokerage commission for FY2022. As for 9M 2023, revenue of the Group in brokerage business was mainly derived from new placing services and introducing brokers service which contributed to approximately 29.8% and 60.7% of the Group's brokerage commission for 9M 2023, respectively. Given revenue from securities trading business only accounted for approximately 10.1% and 1.8% of the Group's brokerage commission for FY2022 and 9M 2023, respectively, the Group's business is not significantly affected by the drop in turnover and liquidity of securities market. Nonetheless, the drop in turnover and liquidity of securities market could negatively impact the equity and debt securities placing service and introducing brokers service of the Group, but to a lesser extent as compared to the securities trading business. The Group commenced the advisory service business in 6M 2023 and generated revenue of approximately HK\$1.8 million from this new business segment, which accounted for approximately 17.7% and 8.1%

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

of total revenue for 6M 2023 and 9M 2023, respectively. With the long establishment in the financial sector and experience in the brokerage business, the Directors anticipate that the Group could attract clients for the new services offered and could bring further revenue in the future.

According to the Hong Kong Exchanges and Clearing Limited, the total volume of exchange traded futures and options increased from approximately 214.8 million contracts in 2017 to approximately 293.1 million contracts in 2022, with a compound annual growth rate (“CAGR”) of approximately 6.4% from 2017 to 2022. In terms of the average daily turnover of futures and options, it amounted to approximately 1.3 million contracts and 1.4 million contracts in 2022 and for the ten months ended 31 October 2023, respectively, representing an increase of approximately 10.9% and 6.8% as compared with that in the corresponding previous year and period, respectively. Although the Group’s revenue from future and options trading business decreased for FY2022 and 9M 2023, considering that the potential customers from the PRC could bring more brokerage income for the coming years, it’s expected that the Group’s brokerage business could benefit from the increasing turnover of futures and options.

Rising volatility in the global capital market invites active trading in the options and stocks as they are commonly used financial tools to hedge against risks. Incidents related to monetary policies, exchange rates and geopolitical relationships, including but not limited to, the U.S. monetary policy, devaluation of RMB and the lasting geopolitical tension between the U.S. and China. The increased volatility in underlying assets would generally stimulate the demand for risk hedging and speculation, thus driving the trading volume of the corresponding futures and options. In addition, after the border between Hong Kong and the PRC was reopened in early 2023, the Chinese investors could finally come to Hong Kong in person and open trading accounts to invest in overseas securities, futures and options, which would facilitate the future development of the brokerage market in Hong Kong.

China has implemented a series of economic stimulus measures to promote recovery in economy, and according to Statista, a global data and business intelligence platform, China’s manufacturing purchasing managers’ index has gradually recovered since a recent low of 48.8 in May 2023 to 50.2 in September 2023. As this index measures the economic health of the manufacturing sector based on a composite of five major indicators, being the new orders, inventory levels, production, supplier deliveries, and the employment environment, and an index value above 50 indicates a positive development, the raising of the manufacturing purchasing managers’ index in September 2023 indicates a recovery in the industrial sector as well as the general economy. We expect that the recovering economy may, improve the market sentiment and drive capital flow towards stocks market. In addition, according to the meeting held by the US Federal Open Market Committee in September 2023, the Federal funds rate is projected to decrease to 5.1% in 2024 from 5.6% in 2023. Given the above, we consider the Hong Kong stock market may regain its momentum and improve the turnover and liquidity when the Federal funds rate hikes suspends in 2024 and the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

gradual recovery of China's economy, and the Group's new revenue streams, namely the placing services and investment advisory services, will also be benefited as the market rebound.

(ii) Money lending business

The Group has conducted the money lending business since 2022, targeting both individual and corporate customers. For FY2022 and 9M 2023, revenue generated from the money lending business accounted for approximately 41.6% and 8.3% of total revenue, respectively. The money lending business is expected to generate stable income for the Group in the future.

According to an industry report on the licensed money lending industry in Hong Kong issued by Frost & Sullivan, an independent and global leading market research and consulting company with over 60 years of research experience, total value of loans and advances granted by licensed money lenders in Hong Kong, including unsecured and secured loan, has grown steadily over the five-year period during 2017 to 2022 with a CAGR of approximately 2.9%, reaching approximately HK\$49.5 billion by the end of 2022. Personal loans have taken up a larger share of licensed money lending and enjoyed a higher CAGR of approximately 3.1% from 2017 to 2022. The demand for loans is correlated to consumer and business sentiment on expenditure and/or purchase of real estate assets for residential or investment purposes which can then be reflected in the level of domestic economic activities. According to the Half-yearly Economic Report 2023 issued by the Hong Kong Government in August 2023, the Hong Kong economy improved in the first half of 2023. Real GDP resumed year-on-year growth of approximately 2.9% and 1.5% in the first and second quarters of 2023 and the real GDP growth forecast for 2023 is maintained at approximately 4.0% to 5.0%. The GDP amounted to approximately HK\$1,426,727 million for the first half of 2023, representing an improvement as compared to approximately HK\$1,411,214 million for the first half of 2019 prior to the COVID-19 pandemic. Among others, domestic private consumption expenditure surged in the first half of 2023 and reached HK\$1,040,885 million, which also improved as compared to HK\$995,449 million for the first half of 2019 before the pandemic, as consumption sentiment improved along with the removal of anti-epidemic measures in both Hong Kong and the PRC. In addition, small and medium-sized enterprises ("SMEs") serve as the bedrock of Hong Kong's economy, with the number of establishments attaining 340,000 in 2022, accounting for 98% of enterprises and employing 46% of the private sector workforce. In view of the constrained business scale with limited resources and financial capability, SMEs may face difficulties in sourcing funding from banks in a timely manner due to the due diligence process of banks, while some SMEs might find the urgent need to fulfill working capital requirement. As advised by the management of the Group, the existing major corporate customers of the Group's money lending business are companies that have key business in the PRC and engaged in the property market sector, which had relatively higher level of credit risk. Hence, as disclosed in the 2022 Annual Report, the management of the Group intends not to allow renewals

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

of those loans so as to minimize the credit risk of the Group. On the other hand, the Group intends to broaden its client base to SMEs in Hong Kong. Although SMEs are not currently a major customer source of customers for the Group's money lending business, their growing demand is expected to be a potential growth driver. Supported by (i) the growth of local economy and improved individual consumption sentiment; and (ii) the growth in number and development of SMEs in Hong Kong, licensed money lending market in Hong Kong is expected to experience an upward trend in the foreseeable future, although the demand for loans to purchase real estate may decline as affected by the interest rate hike.

(iii) Outlook

In summary, in face of rising volatility in the global capital market, the removal of anti-epidemic measures in both Hong Kong and the PRC, the reopening of the border between Hong Kong and the PRC and the recovery of the Hong Kong economy, the outlook for the brokerage industry and the money lending market in Hong Kong may be generally positive in the coming years.

In particular, the performance of the Group's brokerage business may benefit from the increasingly diversified options and futures products in the Hong Kong market. The receding epidemic and gradual resumption of normalcy in society may also lead to recovery of the Group's business performance, as the revenue from the customers from the PRC was the key to the Group's financial performances in the past few years before COVID-19 pandemic. For the Group's money lending business, the demand may increase if the Group could broaden its client base and as the economy gradually recovers.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. Offer Price comparison

The Offer Price of HK\$0.0661 per Offer Share represents:

- (i) a discount of approximately 71.26% to the closing price of HK\$0.23 per Share as quoted on the Stock Exchange on 23 June 2023, being the Last Trading Day;
- (ii) a discount of approximately 72.23% to the average closing price of approximately HK\$0.238 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a discount of approximately 72.17% to the average closing price of approximately HK\$0.2375 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a discount of approximately 71.51% to the average closing price of approximately HK\$0.232 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a discount of approximately 68.15% to the average closing price of approximately HK\$0.2075 per Share as quoted on the Stock Exchange for the 60 consecutive trading days immediately prior to and including the Last Trading Day;
- (vi) a discount of approximately 65.03% to the average closing price of approximately HK\$0.1890 per Share as quoted on the Stock Exchange for the 90 consecutive trading days immediately prior to and including the Last Trading Day;
- (vii) a discount of approximately 60.41% to the average closing price of approximately HK\$0.1670 per Share as quoted on the Stock Exchange for the 180 consecutive trading days immediately prior to and including the Last Trading Day;
- (viii) a discount of approximately 59.66% to the average closing price of approximately HK\$0.1639 per Share as quoted on the Stock Exchange for the 360 consecutive trading days immediately prior to and including the Last Trading Day;
- (ix) a discount of approximately 76.81% to the closing price of HK\$0.285 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

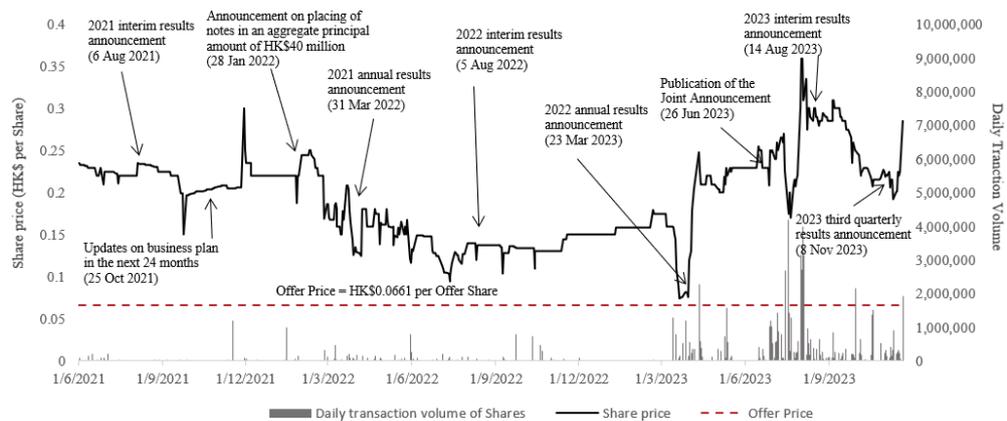
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (x) a premium of approximately HK\$0.06767 over the audited consolidated net liabilities of the Group of approximately HK\$0.00157 per Share as at 31 December 2022, calculated based on the Group’s audited deficit of approximately HK\$1,256,000 as at 31 December 2022 and 800,000,000 Share in issue as at the Latest Practicable Date; and
- (xi) a premium of approximately HK\$0.06486 (being approximately 5,230.65%) over the unaudited consolidated net asset value of the Group of approximately HK\$0.00124 per Share as at 30 June 2023, calculated based on the Group’s unaudited equity of approximately HK\$993,000 as at 30 June 2023 and 800,000,000 Share in issue as at the Latest Practicable Date.

5. Trading performance of the Shares

(i) Historical Share price performance

Set out below are the movement of the closing prices of the Shares as quoted on the Stock Exchange from 1 June 2021 to the Last Trading Day (i.e. 23 June 2023) (the “**Review Period**”), being approximately two years preceding the Last Trading Day, and up to the Latest Practicable Date. We consider the Review Period is adequate to reflect the general market sentiment and illustrates the general trend and level of movement of the daily closing price of the Shares.



Performance of Share price

Source: Bloomberg

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As shown above, the closing prices of the Shares were above the Offer Price at all times during the Review Period, ranging from HK\$0.074 on 21 March 2023 to HK\$0.300 on 29 November 2021. In other words, the discounts of the Offer Price to the closing prices of the Shares ranged from approximately 10.7% to 78.0%.

The closing price of the Share generally decreased from HK\$0.235 per Share on 1 June 2021 to HK\$0.150 on 24 September 2021. It then rose to the highest of HK\$0.300 on 29 November 2021, following the update on the business plan for the next 24 months on 25 October 2021. Afterwards, the Share price generally exhibited a downward trend and reached a low of HK\$0.095 on 12 July 2022. Subsequently, the Share price fluctuated between HK\$0.100 and HK\$0.179 before it dropped to the lowest of HK\$0.074 on 21 March 2023. The closing price of the Shares then rebounded to HK\$0.248 on 11 April 2023 and remained fluctuating until 23 June 2023, the Last Trading Day, on which the Share price closed at HK\$0.23. As at the Latest Practicable Date, the Share price closed at HK\$0.285, representing a premium of approximately 331.2% over the Offer Price.

Taking into account that (a) the Offer Price represents a deep discount of approximately 71.26% to the closing price of HK\$0.23 per Share on the Last Trading Day; (b) the discounts of the Offer Price to the closing prices of the Shares for the various periods in the 360 trading days before the Last Trading Day are significant, in the range of approximately 59.66% to 72.23%; (c) the closing prices of the Shares were above the Offer Price at all times during the Review Period; and (d) the Share price represents a premium of approximately 331.2% over the Offer Price as at the Latest Practicable Date, we consider that, in comparison of the historical closing prices of the Shares, the Offer Price is not fair and reasonable so far as the Independent Shareholders are concerned.

(ii) Liquidity of the Shares

The following table sets out the average daily trading volume of the Shares for each month or period and the percentages of such average daily trading volume to the total number of Shares in issue and held by the public during the period from 1 June 2021 to the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	Number of trading days <i>(Note 1)</i>	Approximate average daily trading volume	Approximate percentage of average daily trading volume to total number of Shares in issue <i>(Note 2)</i>	Approximate percentage of average daily trading volume to total number of Shares held by the public <i>(Note 3)</i>
2021				
June	21	33,524	0.0042%	0.0139%
July	21	13,714	0.0017%	0.0057%
August	22	4,727	0.0006%	0.0020%
September	21	6,476	0.0008%	0.0027%
October	18	444	0.0001%	0.0002%
November	22	62,909	0.0079%	0.0262%
December	22	7,636	0.0010%	0.0032%
2022				
January	21	63,619	0.0080%	0.0265%
February	17	28,235	0.0035%	0.0117%
March	23	60,522	0.0076%	0.0252%
April	18	42,222	0.0053%	0.0176%
May	20	76,000	0.0095%	0.0316%
June	21	13,333	0.0017%	0.0055%
July	20	32,800	0.0041%	0.0136%
August	23	9,043	0.0011%	0.0038%
September	21	47,238	0.0059%	0.0196%
October	20	81,200	0.0102%	0.0338%
November	22	8,727	0.0011%	0.0036%
December	20	4,000	0.0005%	0.0017%

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	Number of trading days <i>(Note 1)</i>	Approximate average daily trading volume	Approximate percentage of average daily trading volume to total number of Shares in issue <i>(Note 2)</i>	Approximate percentage of average daily trading volume to total number of Shares held by the public <i>(Note 3)</i>
2023				
January	18	444	0.0001%	0.0002%
February	20	4,400	0.0006%	0.0018%
March	23	210,435	0.0263%	0.0875%
April	17	265,882	0.0332%	0.1106%
May	21	187,810	0.0235%	0.0781%
June	21	229,714	0.0287%	0.0955%
July	20	952,000	0.1190%	0.3958%
August	23	727,652	0.0910%	0.3026%
September	19	276,632	0.0346%	0.1150%
October	20	264,400	0.0331%	0.1099%
From 1 November to the Latest Practicable Date	14	384,000	0.0480%	0.1597%

Source: Bloomberg and the website of the Stock Exchange

Notes:

1. Number of trading days of the Shares represents number of trading days during the month or period which excludes any trading day on which trading of the Shares on the Stock Exchange was suspended for the whole trading day (if applicable).
2. Based on the total number of the Shares in issue at the end of each month or period as disclosed in the monthly returns of the Company.
3. Based on the number of Shares held by public Shareholders as calculated by deducting the Shares held by the Vendors and its concert parties from the total number of the Shares in issue at the end of each month or period.

As illustrated in the table above, the trading of the Shares was generally inactive since 1 June 2021. The average daily trading volume for the respective month or period during the above period ranged from approximately 444 Shares in October 2021 and January 2023 to approximately 952,000 Shares in July 2023, representing approximately 0.0001% to 0.1190% of the total number of the Shares in issue and approximately 0.0002% to 0.3958% of the total number of the Shares held by the public, respectively.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Given the thin trading liquidity of the Shares in general as illustrated above, if the Independent Shareholders intend to dispose of a significant shareholding in the Company in the market within a short timeframe, it is possible that a downward pressure would be exerted on the market price of the Shares such that the Share price may fall below the Offer Price following the disposal of a significant shareholding. In such circumstance, the Offer may represent an alternative exit for the Independent Shareholders with significant shareholding in the Company and would like to divest the securities of the Company in the short-run to realise their investments in the Company at the Offer Price.

6. Comparable analysis

The Group is principally engaged in futures and options, stock options and securities broking, margin financing business and money lending business.

Price-to-earnings (“P/E(s)”), price-to-book (“P/B(s)”), price-to-sale (“P/S(s)”) and enterprise value (“EV”) to earnings before interest, tax, depreciation and amortisation (“EBITDA”) (“EV/EBITDA(s)”) multiples are the four most commonly used benchmarks in valuing a company. P/E is usually adopted for judging valuations for companies which are profit making. On the other hand, P/B is typically applied for valuing companies which hold relatively liquid assets on their balance sheets and their book values approximate their fair market values such as real estate companies, banks and money lenders whereas P/S is appropriate for valuing companies which have volatile earnings or loss but relatively stable revenue such as retailers offering general merchandise. EV/EBITDA is appropriate for valuing companies in the same industry with various capital structures. In addition, EV/Revenue multiple is generally used for companies with negative or limited profitability.

Given (i) the Group was loss making with losses before interest, tax, depreciation and amortisation for FY2022; and (ii) the Group recorded net liabilities position as at 31 December 2022 and 31 March 2023 and only turnaround in 30 June 2023, the adoption of P/B may produce a distorted result, we consider that valuing the Group using P/S is more appropriate as compared with that using P/E, P/B and EV/EBITDA. In addition, EV-to-revenue (“EV/Revenue(s)”) multiple highlights the enterprise value of a company in comparison with its revenue which is also an alternative fundamental indicator used in valuing a company. While P/S only takes into account the market capitalisation of a company, EV/Revenue also take into account the debts of a company in the valuation and provide an alternative comparison. As such, EV/Revenue is also used in this analysis for comparison purpose. Based on (a) the Offer Price of HK\$0.0661 per Offer Share; (b) 800,000,000 Shares in issue as at the Latest Practicable Date; (c) the market capitalisation and the enterprise value of the Group as at the Last Trading Day of approximately HK\$184 million and HK\$191.49 million, respectively, as extracted from Bloomberg; and (d) the revenue of approximately HK\$24.06 million for the latest twelve months ended 30 September 2023 extracted from the 2022 Annual Report and 2023 Q3 Report, the P/S and the EV/Revenue implied by the Offer Price is approximately 2.20 times (the “**Implied P/S**”) and 2.51 times (the “**Implied EV/Revenue**”), respectively.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In evaluating the fairness and reasonableness of the Offer Price, we have, based on our search on Bloomberg and the website of the Stock Exchange, identified an exhaustive list of companies (the “**Comparable Companies**”) which (a) are principally engaged in brokerage business in Hong Kong, which accounted for over 50% of their respective revenues; (b) have their shares listed and traded on the Stock Exchange; and (c) have market capitalisation within HK\$700 million but more than HK\$100 million, as at the Last Trading Day, which are generally comparable to that of the Group. Based on the aforesaid criteria, we have identified two Comparable Companies. Due to the limited number of Comparable Companies under the selection criteria, both companies listed on the Main Board and GEM were included for analysis purpose.

The following table set out the details of the Comparable Companies:

Company name (stock code)	Principal activities	Market capitalisation as at the Last Trading Day (HK\$ million)	P/S (Note 1) (times)	EV/Revenue (Note 1) (times)
Central Wealth Group Holdings Limited (139.HK)	Securities and futures dealing business, trading of debts and equity investments and money lending business	603.26	2.17	2.56
Victory Securities (Holdings) Company Limited (8540.HK)	Securities/futures/ insurance policies broking, placing and underwriting services and advising on securities services, financing services, asset management services, financial advisory services and investment consultancy services in Hong Kong	420.09	5.91	7.40
		Maximum	5.91	7.40
		Minimum	2.17	2.56
		Average	4.04	4.98
		Median	4.04	4.98
	The Offer	184.00	2.20 (Note 2)	2.51 (Note 3)

Source: Bloomberg and financial reports of the respective Comparable Companies

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notes:

1. Being the P/Ss and EV/Revenues of the respective Comparable Companies as at the Last Trading Day calculated based on market capitalisation, enterprise value and revenue for the trailing twelve months as extracted from Bloomberg and financial reports of the respective Comparable Companies;
2. Being the Implied P/S; and
3. Being the Implied EV/Revenue.

As shown in the table above, the P/Ss of the Comparable Companies ranged from approximately 2.17 time to approximately 5.91 times with an average and median of approximately 4.04 time and 4.04 time, respectively, as at the Last Trading Day. The Implied P/S of approximately 2.20 times is lower than the average and median of the P/Ss of the Comparable Companies.

On the other hand, the EV/Revenues of the Comparable Companies ranged from approximately 2.56 times to approximately 7.40 times with an average and median of approximately 4.98 times and 4.98 times, respectively, as at the Last Trading Day. The Implied EV/Revenue of approximately 2.51 times is lower than the average and median of the EV/Revenue of the Comparable Companies.

Taking into account (a) the Implied P/S and the Implied EV/Revenue are lower than the average and median of the Comparable Companies; (b) the discounts of the Offer Price to the closing prices of the Shares for the various periods in the 360 trading days before the Last Trading Day are significant, in the range of approximately 59.66% to 72.23%; and (c) given that the Offer Price represents a deep discount of approximately 71.26% and 76.81% to the closing price of HK\$0.23 and HK\$0.285 per Share on the Last Trading Day and the Latest Practicable Date, respectively, the Independent Shareholders are able to sell their Shares at a higher market price in the open market if they would like to divest the securities of the Company in the short-run, we consider that the Offer Price is not fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

DISCUSSION AND ANALYSIS

We consider that the Offer, including the Offer Price of HK\$0.0661 per Offer Share, are not fair and reasonable so far as the Independent Shareholders are concerned after taking into account the above principal factors and reasons as a whole, in particular:

- (i) the financial performance of the Group's brokerage services and margin financing business has been adversely affected by the poor market conditions in both Hong Kong and overseas markets. In particular, the Group had material uncertainty related to going concern for FY2022 due to its unsatisfactory financial performance and conditions. However, as a result of the revenue from the Group's new money lending business and the implementation of cost-cutting measures on the Group's operating and administrative expenses, the Group's loss-making position has been improved during FY2022 and 9M2023. After the border between Hong Kong and the PRC was reopened, potential customers from the PRC could finally come to Hong Kong in person and open trading accounts with the Group. It is expected that these potential customers could bring more brokerage income which will improve the financial results of the Group for the coming years ;
- (ii) in face of rising volatility in the global capital market, the removal of anti-epidemic measures in both Hong Kong and the PRC, the reopening of the border between Hong Kong and the PRC and the recovery of the Hong Kong economy, the outlook for the brokerage industry and the money lending market in Hong Kong may be generally positive in the coming years. In particular, the performance of the Group's brokerage business may benefit from the increasingly diversified options and futures products in the Hong Kong market. The receding epidemic and gradual resumption of normalcy in society may also lead to recovery of the Group's business performance, as the revenue from the customers from the PRC was the key to the Group's financial performances in the past few years before COVID-19 pandemic. For the Group's money lending business, the demand may increase if the Group could broaden its client base and as the economy gradually recovers;
- (iii) the closing prices of the Shares were above the Offer Price at all times during the Review Period, the discounts of the Offer Price to the closing prices of the Shares for the various periods in the 360 trading days before the Last Trading Day are significant, in the range of approximately 59.66% to 72.23%;
- (iv) since the publication of the Joint Announcement and up to the Latest Practicable Date, the Shares closed at a range of HK\$0.17 to HK\$0.36, representing premiums over the Offer Price in the range of approximately 157.19% to 444.63%. Trading in the Shares was generally inactive during the Review Period; and
- (v) the Implied P/S and the Implied EV/Revenue are lower than the average and median of the Comparable Companies.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

OPINION AND RECOMMENDATION

Based on the above principal factors and reasons, we consider the Offer to be not fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise, and we ourselves advise, the Independent Shareholders to not accept the Offer.

However, in the event that the market price of the Shares drops below the Offer Price during the Offer Period and the sale proceeds (net of transaction costs) drops below the net proceeds receivable under the Offer, the Independent Shareholders who wish to realise their investments in the market should consider accepting the Offer.

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited
Larry Choi
Managing Director

Mr. Larry Choi is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over 10 years of experience in the corporate finance industry.

1. PROCEDURES FOR ACCEPTANCE OF THE OFFER

To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the Offer.

- (a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Offer, you must send the Form of Acceptance duly completed and signed together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by post or by hand, marked “Excalibur Global Financial Holdings Limited – Offer” on the envelope, in any event not later than 4: 00 p.m., on the Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code.

- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer whether in full or in part of your Shares, you must either:
 - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver in an envelope marked “Excalibur Global Financial Holdings Limited – Offer” the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or

 - (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver in an envelope marked “Excalibur Global Financial Holdings Limited – Offer” the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or

- (iii) if your Shares have been lodged with your licensed securities dealer/ registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/ custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
 - (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (c) If the share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost and you wish to accept the Offer in respect of your Shares, the Form of Acceptance should nevertheless be duly completed and signed and delivered in an envelope marked "Excalibur Global Financial Holdings Limited – Offer" to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it/they is/ are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter. If you have lost your share certificate(s), you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.
- (d) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it in an envelope marked "Excalibur Global Financial Holdings Limited – Offer" to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable instruction and authority to Well Link Securities and/or the Offeror and/or any of their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such certificate(s) to the Registrar and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Registrar with the Form of Acceptance.

- (e) Acceptance of the Offer will be treated as valid only if the duly completed and signed Form of Acceptance is received by the Registrar by no later than 4: 00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code and the Registrar has recorded that the Form of Acceptance and any relevant documents required have been so received, and is:
- (i) accompanied by the relevant share certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if those Share certificate(s) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in your favour executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or
 - (ii) from a registered Shareholder or his/her/its personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under the other sub-paragraph of this paragraph (e)); or
 - (iii) certified by the Registrar or the Stock Exchange.

If the Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (such as grant of probate or certified copy of power of attorney) to the satisfaction of the Registrar must be produced.

- (f) In Hong Kong, vendor's ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by relevant Independent Shareholders at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the cash amount payable by the Offeror to the relevant Independent Shareholder accepting the Offer (where the amount of stamp duty is a fraction of a dollar, the stamp duty will be rounded up to the nearest dollar). The Offeror will arrange for payment of the vendor's ad valorem stamp duty on behalf of relevant Independent Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares.
- (g) No acknowledgement of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.
- (h) The address of the Registrar is 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

2. SETTLEMENT

- (a) Provided that valid Form of Acceptance and the relevant share certificate(s) and/ or transfer receipt(s) and/or any other document(s) of title and/or transfer receipt(s) (and/or any satisfactory indemnity or indemnities required in respect thereof) have been received by the Registrar no later than the latest time for acceptance, a cheque for the amount due to each accepting Shareholder, less the vendor's ad valorem stamp duty payable by him/her/it, will be despatched to such Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event no later than seven (7) Business Days after the date on which all the relevant documents are received by the Registrar to render such acceptance complete and valid.
- (b) Settlement of the consideration to which any Shareholders are entitled under the Offer will be implemented in full in accordance with the terms of the Offer (save with respect of the payment of vendor's ad valorem stamp duty), without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Shareholders.

3. ACCEPTANCE PERIOD AND REVISIONS

- (a) Unless the Offer has previously been revised or extended with the consent of the Executive, all acceptances of the Offer must be received by the Registrar by 4:00 p.m. on Thursday, 14 December 2023, being the Closing Date. The Offer is unconditional.
- (b) If the Offer is extended or revised, the announcement of such extension or revision shall state the next Closing Date or that the Offer will remain open until further notice. For the latter case, at least 14 days' notice in writing will be given to the Shareholders who have not accepted the Offer before the Offer is closed, and an announcement in respect thereof shall be released. If the Offeror revises the terms of the Offer, all Independent Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. The execution by or on behalf of any Independent Shareholder who has previously accepted the Offer shall be deemed to constitute acceptance of the revised Offer unless such holder becomes entitled to withdraw his/her/its acceptance and duly does so.
- (c) If the Closing Date is extended, any reference in this Composite Document and in the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the Closing Date so extended.

4. NOMINEE REGISTRATION

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold the Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

5. ANNOUNCEMENTS

- (a) By 6:00 p.m. on Thursday, 14 December 2023 (or such later time and/or date as the Executive may in exceptional circumstances permit) which is the Closing Date, the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the expiry, revision or extension of the Offer. The Offeror must post an announcement on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer has been revised or extended.

The announcement must state the total number of Shares and rights over Shares:

- (i) for which acceptances of the Offer have been received;
- (ii) held, controlled or directed by the Offeror, its ultimate beneficial owners and parties acting in concert with any one of them before the Offer Period; and
- (iii) acquired or agreed to be acquired during the Offer Period by the Offeror, its ultimate beneficial owners and parties acting in concert with any one of them.

The announcement must also include details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror, its ultimate beneficial owners and parties acting in concert with any one of them has/have borrowed or lent (save for any borrowed Shares which have been either on-lent or sold) and specify the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers.

- (b) In computing the total number of Shares represented by acceptances, only valid acceptances that are complete, in good order and fulfill the acceptance conditions set out in paragraph 1(e) of this Appendix, and which have been received by the Registrar by no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offer, shall be included.
- (c) As required under the Takeovers Code, all announcements in respect of the Offer must be made in accordance with the requirements of the Takeovers Code and the GEM Listing Rules.

6. RIGHT OF WITHDRAWAL

- (a) Acceptance of the Offer tendered by any Independent Shareholder shall be irrevocable and cannot be withdrawn, except in the circumstances set out in paragraph (b) and (c) below.
- (b) If the Offeror is unable to comply with the requirements set out in the paragraph headed “Announcements” above, as set out in Rule 19.2 of the Takeovers Code, the Executive may require that the Independent Shareholders who have tendered acceptances to the Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that rule are met.
- (c) In such case, if the Independent Shareholders withdraw their acceptances, the Offeror and Registrar shall, as soon as possible but in any event no later than seven (7) business days thereof, return by ordinary post the share certificate(s), and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Shares lodged with the Form of Acceptance to the relevant Independent Shareholders.

7. OVERSEAS INDEPENDENT SHAREHOLDERS

The making of the Offer to the Overseas Independent Shareholders may be prohibited or affected by the laws of the relevant jurisdictions in which they are resident. Overseas Independent Shareholders should obtain appropriate legal advice regarding the implications of the Offer in the relevant jurisdictions or keep themselves informed about and observe any applicable legal or regulatory requirements. It is the responsibility of Overseas Independent Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of all relevant jurisdictions in connection with the acceptance of the Offer (including but not limited to the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required and the compliance with all other necessary formalities, regulatory and/or legal requirements and the payment of any transfer or other taxes due by the accepting Overseas Independent Shareholders).

Acceptance of the Offer by any Overseas Independent Shareholder will be deemed to constitute a warranty by such person that such person is permitted under applicable laws and regulations to receive and accept the Offer, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. Any such person is recommended to seek professional advice on deciding whether or not to accept the Offer.

8. GENERAL

- (a) All communications, notices, Form of Acceptance, share certificates, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents by post at their own risk, and the Offeror, its ultimate beneficial owners and parties acting in concert with any one of them, the Company, Silver Nile, Jun Hui International, Messis Capital, Well Link Securities, the Independent Financial Adviser, the Registrar, the company secretary of the Company, any of their respective ultimate beneficial owners, directors, officers, agents, professional advisers and other parties involved in the Offer do not accept any liability for any loss or delay in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Form of Acceptance form part of the terms of the Offer.
- (c) The accidental omission to despatch this Composite Document and/or Form of Acceptance or any of them to any person to whom the Offer is made will not invalidate the Offer in any way.
- (d) The Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.
- (e) Due execution of the Form of Acceptance will constitute an irrevocable authority to the Offeror, Well Link Securities or such person or persons as the Offeror may direct to complete, amend and execute any document on behalf of the person or persons accepting the Offer and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as it may direct, the Shares in respect of which such person or persons has/have accepted the Offer.
- (f) Acceptance of the Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror and the Company that the Shares under the Offer are free from all third party rights and Encumbrances whatsoever and together with all rights accruing or attaching thereto including the rights to receive in full all dividends and distributions recommended, declared, made or paid on or after the date on which the Offer is made.
- (g) References to the Offer in this Composite Document and the Form of Acceptance shall include any revision and/or extension thereof.

- (h) The making of the Offer to the Overseas Independent Shareholders may be prohibited or affected by the laws of the relevant jurisdictions. The Overseas Independent Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of each Overseas Independent Shareholder who wishes to accept the Offer to satisfy himself/ herself/ itself as to the full observance of the laws and regulations of all relevant jurisdictions in connection therewith, including, but not limited to the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required and the compliance with all necessary formalities, regulatory and/or legal requirements. Such Overseas Independent Shareholders shall be fully responsible for the payment of any transfer or other taxes and duties due by such Overseas Independent Shareholders in respect of the relevant jurisdictions. The Overseas Independent Shareholders are recommended to seek professional advice on deciding whether or not to accept the Offer.
- (i) Acceptances of the Offer by any persons will be deemed to constitute a warranty by such persons that such persons are permitted under all applicable laws and regulations to receive and accept the Offer, and any revision thereof, and such acceptances shall be valid and binding in accordance with all applicable laws and regulations. Any such persons will be responsible for any such issue, transfer and other applicable taxes or other governmental payments payable by such persons.
- (j) Subject to the Takeovers Code, the Offeror reserves the right to notify any matter (including the making of the Offer) to all or any Independent Shareholders with registered address(es) outside Hong Kong or whom the Offeror or Well Link Securities, knows to be nominees, trustees or custodians for such persons by announcement in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any such Independent Shareholders to receive or see such notice, and all references in this Composite Document to notice in writing shall be construed accordingly.
- (k) In making their decision, the Independent Shareholders must rely on their own examination of the Offeror, the Group and the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein, together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of the Offeror, its ultimate beneficial owners and parties acting in concert with any one of them, the Company or its ultimate beneficial owners, directors, officers, agents, professional advisers or any other persons involved in the Offer. The Independent Shareholders should consult their own professional advisers for professional advices.
- (l) The English texts of this Composite Document and the Form of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation in case of inconsistency.

1. SUMMARY OF THE FINANCIAL INFORMATION OF THE GROUP

The issued shares of the Company have been listed on GEM of the Stock Exchange since 12 January 2018. Set out below is a summary of (i) the audited financial information of the Group for each of the three financial years ended 31 December 2020, 2021 and 2022 as extracted from the relevant annual reports of the Company; (ii) the unaudited financial information of the Group for the six months ended 30 June 2022 and 2023 as extracted from the relevant interim reports of the Company (for the statement of financial position only); and (iii) the unaudited consolidated financial information of the Group for the nine months ended 30 September 2022 and 2023 as extracted from the relevant third quarterly reports of the Company:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Nine months ended		For the year ended		
	30 September		31 December		
	2023	2022	2022	2021	2020
	(Unaudited)	(Unaudited)			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue					
Contracts with customers	12,864	2,603	3,639	6,416	10,085
Interest under effective interest method	2,245	2,478	3,383	187	536
Commission income for the provision of placing service	5,455	263	-	-	-
Fee income for the provision of investment advisory service	1,819	-	-	-	-
	<u>22,383</u>	<u>5,344</u>	<u>7,022</u>	<u>6,603</u>	<u>10,621</u>
Other income, net	106	287	773	318	2,525
Reversal of impairment loss/(Impairment losses)	684	-	(3,813)	(3,573)	-
Salaries and other benefits	(4,547)	(4,571)	(6,125)	(7,574)	(10,441)
Other operating and administrative expense	(6,012)	(8,672)	(10,160)	(17,927)	(26,387)
Finance costs	(1,234)	(1,551)	(2,081)	(916)	(1,027)
	<u>11,380</u>	<u>(9,163)</u>	<u>(14,384)</u>	<u>(23,069)</u>	<u>(24,709)</u>
Income tax (expense) credit	(2,295)	1,275	1,644	2,902	2,961
	<u>9,085</u>	<u>(7,888)</u>	<u>(12,740)</u>	<u>(20,167)</u>	<u>(21,748)</u>
Profit (loss) and total comprehensive income (expense) attributable to owners of the Company for the period/year					
	<u>9,085</u>	<u>(7,888)</u>	<u>(12,740)</u>	<u>(20,167)</u>	<u>(21,748)</u>
Earnings (loss) per share					
Basic and diluted (<i>cents</i>)	<u>1.14</u>	<u>(0.99)</u>	<u>(1.59)</u>	<u>(2.52)</u>	<u>(2.72)</u>

Notes:

- (1) The Group had not declared any payment of dividend or each of the financial years ended 31 December 2020, 2021 and 2022 and each of the nine months ended 30 September 2022 and 2023.
- (2) The Group did not record any non-controlling interests for each of the financial years ended 31 December 2020, 2021 and 2022 and each of the nine months ended 30 September 2022 and 2023.

There were no other items of any income or expense which was material in respect of the condensed consolidated financial results of the Group for each of the financial years ended 31 December 2020, 2021 and 2022 and each of the nine months ended 30 September 2022 and 2023.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 June		As at 31 December		
	2023	2022	2022	2021	2020
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current assets					
Property and equipment	39	348	–	393	445
Right-of-use assets	129	1,587	174	2,807	8,026
Intangible assets	–	526	–	526	1,030
Statutory deposits	5,040	5,038	5,042	5,032	5,006
Deferred tax assets	8,697	8,530	9,406	7,595	4,693
Loan and interest receivables	1,627	–	1,550	–	–
	<u>15,532</u>	<u>16,029</u>	<u>16,172</u>	<u>16,353</u>	<u>19,200</u>
Current assets					
Accounts receivables arising from ordinary course of business	23,618	17,343	16,766	22,970	31,320
Prepayments and other receivables	1,366	606	1,070	1,947	1,552
Loan and interest receivables	12,498	31,142	26,263	–	2,177
Financial assets at fair value through profit or loss	–	–	–	–	11
Cash and cash equivalents	5,120	8,340	5,861	5,637	19,559
	<u>42,602</u>	<u>57,431</u>	<u>49,960</u>	<u>30,554</u>	<u>52,442</u>
Current liabilities					
Accounts payables arising from ordinary course of business	11,513	12,709	11,834	18,992	30,606
Other payables and accruals	2,367	1,344	2,036	1,430	1,211
Lease liabilities	2,004	1,791	1,937	1,953	3,692
Bank borrowing	–	–	9,400	–	–
Tax payables	246	–	167	–	–
	<u>16,130</u>	<u>15,844</u>	<u>25,374</u>	<u>22,375</u>	<u>35,509</u>
Net current assets	<u>26,472</u>	<u>41,587</u>	<u>24,586</u>	<u>8,179</u>	<u>16,933</u>
Total assets less current liabilities	<u>42,004</u>	<u>57,616</u>	<u>40,758</u>	<u>24,532</u>	<u>36,133</u>

	As at 30 June		As at 31 December		
	2023	2022	2022	2021	2020
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current liabilities					
Lease liabilities	1,011	2,754	2,014	3,648	4,482
Bank borrowing	–	9,400	–	9,400	–
Notes payables	40,000	40,000	40,000	–	–
	<u>41,011</u>	<u>52,154</u>	<u>42,014</u>	<u>13,048</u>	<u>4,482</u>
Net assets (liabilities)	<u>993</u>	<u>5,462</u>	<u>(1,256)</u>	<u>11,484</u>	<u>31,651</u>
Capital and reserves					
Share capital	8,000	8,000	8,000	8,000	8,000
Reserves	(7,007)	(2,538)	(9,256)	3,484	23,651
Total Equity (Deficit)	<u>993</u>	<u>5,462</u>	<u>(1,256)</u>	<u>11,484</u>	<u>31,651</u>

Save as disclosed above, the Group did not have any item of any income or expense which was material during each of the years ended 31 December 2020, 2021 and 2022, for the six months ended 30 June 2022 and 2023 and for each of the nine months ended 30 September 2022 and 2023.

The consolidated financial statements of the Group for the years ended 31 December 2020, 2021 and 2022 were audited by Asian Alliance (HK) CPA Limited. Save for a material uncertainty related to going concern disclosed below, no modified opinion, emphasis of matter or material uncertainty related to going concern was given by the auditors of the Group in respect of the Group's audited consolidated financial statements for the years ended 31 December 2020, 2021 and 2022.

As set out in the auditor's reports issued by Asian Alliance (HK) CPA Limited, in respect of the audited consolidated financial statements of the Group for the year ended 31 December 2022, the Group incurred a net loss attributable to the owners of the Company of approximately HK\$12,740,000 and had approximately HK\$36,770,000 net cash used in operating activities for the year ended 31 December 2022. In addition, the Group had net liabilities of approximately HK\$1,256,000 as at 31 December 2022. As at the same date, the Group's total borrowings amounted to approximately HK\$49,400,000, while its cash and cash equivalents amounted to approximately HK\$5,861,000 only. These events or conditions, along with other matters as set forth on pages 52 to 53 of the Annual Report 2022 under Note 3.1 to the consolidated financial statements for the year ended 31 December 2022, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the consolidated financial statements of the Group in the Annual Report 2022.

There was no change in the Group's accounting policy during each of the years ended 31 December 2020, 2021 and 2022, the six months ended 30 June 2022 and 2023 and the nine months ended 30 September 2022 and 2023 which would result in the figures in its consolidated financial statements being not comparable to a material extent.

2. CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The Company is required to set out or refer to in this Composite Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in the consolidated financial statements of the Group for the years ended 31 December 2020 (the “**2020 Financial Statements**”), 31 December 2021 (the “**2021 Financial Statements**”) and 31 December 2022 (the “**2022 Financial Statements**”), for the six months ended 30 June 2023 (the “**2023 Interim Financial Statements**”) and for the nine months ended 30 September 2023 (the “**2023 Third Quarterly Financial Statements**”) (if applicable), together with the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The 2020 Financial Statements are set out from pages 40 to 101 in the annual report of the Company for the year ended 31 December 2020 (the “**Annual Report 2020**”), which was published on 30 March 2021. The Annual Report 2020 is posted on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.excalibur.com.hk>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/gem/2021/0330/2021033000982.pdf>

The 2021 Financial Statements are set out from pages 46 to 113 in the annual report of the Company for the year ended 31 December 2021 (the “**Annual Report 2021**”), which was published on 1 April 2022. The Annual Report 2021 is posted on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.excalibur.com.hk>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0401/2022040100112.pdf>

The 2022 Financial Statements are set out from pages 38 to 105 in the Annual Report 2022, which was published on 30 March 2023. The Annual Report 2022 is posted on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.excalibur.com.hk>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0330/2023033000713.pdf>

The 2023 Interim Financial Statements are set out from pages 4 to 29 in the interim report of the Company for the six months ended 30 June 2023 (the “**Interim Report 2023**”), which was published on 14 August 2023. The Interim Report 2023 is posted on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.excalibur.com.hk>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0814/2023081401659.pdf>

The 2023 Third Quarterly Financial Statements are set out from pages 6 to 13 in the third quarterly report of the Company for the nine months ended 30 September 2023 (the “**Third Quarterly Report 2023**”), which was published on 14 November 2023. The Third Quarterly Report 2023 is posted on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.excalibur.com.hk>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/gem/2023/1114/2023111400265.pdf>

The 2023 Third Quarterly Financial Statements, the 2023 Interim Financial Statements, the 2022 Financial Statements, the 2021 Financial Statements and the 2020 Financial Statements (but not any other parts of the Third Quarterly Report 2023, the Interim Report 2023, the Annual Report 2022, the Annual Report 2021 or the Annual Report 2020 in which they respectively appear) are incorporated by reference into this Composite Document and form part of this Composite Document.

3. INDEBTEDNESS STATEMENT

As at the close of business on 30 September 2023, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Composite Document, the indebtedness of the Group was as follows:

Lease liabilities

As at the close of business on 30 September 2023, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Composite Document, the Group, as a lessee, had outstanding unpaid contractual lease liabilities of approximately HK\$2,530,000 in relation to the remaining lease terms of a right-of-use asset, which is unsecured and unguaranteed.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables, as at the close of the business on 30 September 2023, being the latest practicable date for the purpose of this statement of indebtedness prior to printing of this Composite Document, the Group did not have any debt securities issued and outstanding, and authorised or otherwise created but unissued, or term loans or other borrowings or indebtedness in the nature of borrowing of the Group including bank overdrafts or liabilities under acceptances or acceptance credits or hire purchase commitments, or outstanding mortgages and charges, or contingent liabilities or guarantees.

4. MATERIAL CHANGE

The Directors confirm that, save as disclosed below, there had been no material change in the financial or trading position or outlook of the Group since 31 December 2022, 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:

- (i) as disclosed in the Third Quarterly Report 2023 for the nine months ended 30 September 2023 (“**9M 2023**”), the Group turnaround from loss attributable to the Shareholders of approximately HK\$7.9 million for the nine months ended 30 September 2022 (“**9M 2022**”) to profit attributable to Shareholders of approximately HK\$9.1 million for 9M 2023. The turnaround was primarily attributable to:
 - (a) the increase in revenue by approximately 318.8% from approximately HK\$5.3 million for 9M 2022 to approximately HK\$22.4 million for 9M 2023. Such surge in revenue was mainly attributed to the Group’s effort to explore more revenue streams beyond the brokerage business and money lending business. Starting from second quarter of 2023, the Group expanded to offer equity and debt securities placing services, investment advisory services, and also commenced to act as an introducing broker and earn commission income by referring prospective and suitable clients to other brokers for US securities trade execution while the Group only provides brokerage services for securities traded on Stock Exchange. Accordingly, approximately HK\$18.4 million of revenue were generated from these three new business streams; and
 - (b) the decrease in other operating and administrative expenses by approximately HK\$2.7 million mainly due to the decrease in depreciation expense of right of-use assets as most of the carrying amount of right-of-use assets has been impaired in 2022 and the decrease of one-off relocation cost of office incurred in 9M 2022;

- (ii) according to the unaudited consolidated management accounts of the Company for 9M 2023, the Group had net assets of approximately HK\$7.8 million as at 30 September 2023, which represented a significant improvement as the Group turnaround from net liabilities of approximately HK\$1.3 million as at 31 December 2022. The financial position of the Group improved as the Group turnaround to profit by expanding its revenue stream to the offering of equity and debt securities placing services, investment advisory services and also commenced to act as an introducing broker and earn commission income from second quarter of 2023 as disclosed in the Third Quarterly Report 2023;
- (iii) according to the unaudited consolidated management accounts of the Company for 9M 2023, the Group generated net cash from operating activities of approximately HK\$13.0 million for 9M 2023, as compared to net cash used in operating activities of approximately HK\$36.8 million for the year ended 31 December 2022, which was mainly due to profit generated during the period as disclosed in the Third Quarterly Report 2023 and the receipt of repayment of loan and interests which decreased the loan and interests receivables; and
- (iv) according to the unaudited consolidated management accounts of the Company for 9M 2023, the Group repaid outstanding bank borrowing of HK\$9.4 million in 9M 2023, the Group ceased to have any outstanding borrowing as at 30 September 2023.

1. RESPONSIBILITY STATEMENT

The directors of the Offeror, being Mr. Kwan Kin Man Keith and Ms. Xu Wenxia, jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than information relating to the Group, Vendors, or the Directors), and confirms, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this Composite Document (other than opinions expressed by the Directors in their capacity as Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. MARKET PRICES

The table below shows the closing price 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\$)
30 December 2022	0.150
31 January 2023	0.159
28 February 2023	0.175
31 March 2023	0.120
28 April 2023	0.210
31 May 2023	0.230
23 June 2023 (being the Last Trading Day)	0.230
30 June 2023	0.250
31 July 2023	0.300
31 August 2023	0.285
29 September 2023	0.250
31 October 2023	0.225
20 November 2023 (being the Latest Practicable Date)	0.285

During the Relevant Period, the highest and the lowest closing prices of the Shares as quoted on the Stock Exchange were HK\$0.360 per Share on 1 August 2023 and 2 August 2023 and HK\$0.074 per Share on 21 March 2023.

3. INTERESTS IN THE COMPANY AND THE OFFEROR AND ARRANGEMENTS IN CONNECTION WITH THE OFFER

As at the Latest Practicable Date:

- (a) save for the Sale Shares under the Sale and Purchase Agreement, none of the Offeror, its ultimate beneficial owners, its directors nor any person acting in concert with any of them owns or has control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options of the Company or any derivatives in respect of such securities during the Relevant Period;
- (b) save for the Sale Shares under the Sale and Purchase Agreement, none of the Offeror, its ultimate beneficial owners, its directors nor any person acting in concert with any of them had dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities during the Relevant Period;
- (c) save for the Sale and Purchase Agreement, the Facility Agreement and the Share Charge, there are no arrangements (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer;
- (d) none of the Offeror, its ultimate beneficial owners nor any person acting in concert with any one of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (e) none of the Offeror, its ultimate beneficial owners nor any person acting in concert with any one of them has received any irrevocable commitment to accept the Offer;
- (f) save for the Consideration paid by the Offeror to the Vendors under the Sale and Purchase Agreement, there is no consideration, compensation or benefit in whatever form paid or to be paid by the Offeror, its ultimate beneficial owners or any parties acting in concert with any one of them to either of the Vendors or any party acting in concert with any of them in connection with the sale and purchase of the Sale Shares;
- (g) there are no agreements or arrangements in relation to outstanding derivative in respect of the securities in the Company which has been entered into by the Offeror, its ultimate beneficial owners or any person acting in concert with either of them; and
- (h) save for the Sale and Purchase Agreement, there is no understanding, arrangement or agreement which would constitute a special deal (as defined in Rule 25 of the Takeovers Code) between (1) any Shareholder (including the Vendors and any parties acting in concert with any one of them) and (2)(a) the Offeror, its ultimate beneficial owners and parties acting in concert with any one of them or (2)(b) the Company, its subsidiaries or associated companies.

4. DEALINGS IN SECURITIES AND ARRANGEMENTS IN RELATION TO DEALINGS

During the Relevant Period:

- (a) save for the Sale and Purchase Agreement, the Facility Agreement and the Share Charge, none of the Offeror, its ultimate beneficial owners and parties acting in concert with any one of them has dealt in or owned any Shares, warrants, options, derivatives or other securities convertible into Shares;
- (b) no person owning or controlling any shareholding in the Company with whom the Offeror, its ultimate beneficial owners and parties acting in concert with any one of them had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code had dealt in any Shares, convertible securities, warrants, options or derivatives of the Company;
- (c) there was no agreement or arrangement to which the Offeror, its ultimate beneficial owners and parties acting in concert with any one of them, is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (d) save for the Facility Agreement and the Share Charge, there was no agreement, arrangement or understanding that any securities acquired in pursuance of the Offer would be transferred, charged or pledged to any other persons;
- (e) save for the Sale and Purchase Agreement, none of the director(s) of the Offeror had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares; and
- (f) there were no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror, its ultimate beneficial owners and parties acting in concert with any one of them had borrowed or lent.

5. CONSENTS AND QUALIFICATIONS OF PROFESSIONAL ADVISERS

The followings are the names and the qualifications of the professional advisers whose letters, opinions or advices are contained or referred to in this Composite Document:

Name	Qualifications
Silver Nile	a corporation licensed to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
Messis Capital	a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
Jun Hui International	a licensed corporation permitted to carry out type 6 (advising on corporate finance) regulated activity under the SFO
Well Link Securities	a corporation licensed to carry out type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities under the SFO

Each of the above professional advisers has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its letter, opinions or advices and references to its name in the form and context in which it appear.

6. GENERAL

As at the Latest Practicable Date:

- (a) The registered office of the Offeror is situated at Level 1, Palm Grove House, Wickham's Cay 1, Road Town, Tortola, British Virgin Islands and the correspondence addresses of Mr. Kwan Kin Man Keith and Ms. Xu Wenxia (being the two directors of the Offeror) and Mr. Xu Chujia (being the 97% controlling shareholder of the Offeror) is Unit 13–15, 11/F, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong.
- (b) The registered office of Well Link Securities is situated at Unit 13–15, 11/F, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong.
- (c) The registered office of Silver Nile is situated at Suite 4301, Tower One, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

- (d) The registered office of Jun Hui International is situated at Unit 1406, Office Plus, 93–103 Wing Lok Street, Sheung Wan, Hong Kong.
- (e) The registered office of Mesis Capital is situated at Room 1303, 13/F, OfficePlus @Wan Chai, No.303 Hennessy Road, Wan Chai, Hong Kong.
- (f) In the event of inconsistency, the English texts of this Composite Document and the Form of Acceptance shall prevail over their respective Chinese texts.

7. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the SFC (<http://www.sfc.hk>) and the Company (<http://www.excalibur.com.hk>) from the date of this Composite Document up to and including the Closing Date:

- (i) memorandum and articles of association of the Offeror;
- (ii) the letter from Well Link Securities, the text of which is set out on page 10 to 20 of this Composite Document;
- (iii) the written consents as referred to in the paragraph headed “5. Consents and Qualifications of Professional Advisers” in this Appendix;
- (iv) the Sale and Purchase Agreement;
- (v) the Facility Agreement;
- (vi) the Share Charge; and
- (vii) this Composite Document and the accompanying Form of Acceptance.

1. RESPONSIBILITY STATEMENTS

As at the Latest Practicable Date, the Board comprised Mr. Poon Kwok Wah Allan, Ms. Lee Mei Chun and Ms. Choi Ching Jennifer as executive Directors, Mr. Lam Ka Tai as non-executive Director and Mr. Chin Kam Cheung and Mr. Siu Miu Man, M.H. as independent non-executive Directors.

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

2. SHARE CAPITAL

The authorised and issued share capital of the Company of HK\$0.01 each as at the Latest Practicable Date were as follows:

<i>Authorised</i>	<i>HK\$</i>
<u>10,000,000,000</u> Shares	<u>100,000,000</u>
<i>Issued</i>	
<u>800,000,000</u> Shares	<u>8,000,000</u>

All issued Shares rank equally in all respects, including in particular as to dividend, voting rights and return on capital. Since 31 December 2022, being the date to which the latest audited financial statements of the Company were made up, and up to the Latest Practicable Date, the Company did not issue any Shares.

Other than the Shares in issue, the Company had no other outstanding shares options, warrants, derivative or other securities that are convertible into or exchangeable for Shares or other types of equity interest in issue as at the Latest Practicable Date.

3. DISCLOSURE OF INTERESTS

Directors' and chief executive's interests in the securities of the Company and its associated companies.

As at the Latest Practicable Date, none of the Directors or the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required 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 taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules relating to the required standard of dealings by Directors; or (iv) which were required to be disclosed under the Takeovers Code.

Additional Disclosure of Interests

As at the Latest Practicable Date:

- (a) 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;
- (b) 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" in the Takeovers Code but excluding any exempt principal trader and exempt fund managers, owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;
- (c) save for the Sale and Purchase Agreement, there was no 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, or any of the Company's associates by virtue of classes (2), (3) or (4) of the definition of "associate" under the Takeovers Code, and any other person;

- (d) no fund manager (other than exempt fund managers) connected with the Company had managed any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares on a discretionary basis, and no such person had dealt for value in any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company;
- (e) none of the Directors held any beneficial shareholdings in the Company which would otherwise entitle them to accept or reject the Offer;
- (f) 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;
- (g) no benefit (save for statutory compensation required under applicable laws) would be given to any Director as compensation for loss of office or otherwise in connection with the Offer;
- (h) save for the Sale and Purchase Agreement, there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer;
- (i) save for the Sale and Purchase Agreement, there was no material contract entered into by the Offeror in which any Director has a material personal interest; and
- (j) save for the Sale and Purchase Agreement, there is no understanding, arrangement or agreement which would constitute a special deal (as defined in Rule 25 of the Takeovers Code) between (1) any Shareholder (including the Vendors and any parties acting in concert with any one of them) and (2) the Company, its subsidiaries or associated companies.

4. DISCLOSURE OF INTERESTS AND DEALINGS IN THE SECURITIES OF THE OFFEROR BY THE COMPANY

During the Relevant Period and up to the Latest Practicable Date:

- (a) the Company did not deal for value in or own any shares, convertible securities, warrants, options, or derivatives in respect of any shares in the Offeror; and
- (b) none of the Directors had dealt for value in or had any interest within the meaning of Part XV of the SFO in the shares, convertible securities, warrants, options, or derivatives in respect of any shares in the Offeror.

5. DEALINGS IN THE SHARES OF THE COMPANY

- (a) During the Relevant Period, save for Sale Shares, none of the Directors had dealt for value in any Shares, convertible securities, warrants, options, or derivatives in respect of any Shares;
- (b) During the Relevant Period, none of the subsidiaries of the Company, or 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” in the Takeovers Code but excluding exempt principal traders and exempt fund managers had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;
- (c) During the Relevant Period, no fund manager connected with the Company (other than exempt fund managers) who managed funds on a discretionary basis had dealt for value in any Shares or any other convertible securities, warrants, options or derivatives in respect of any Shares; and
- (d) During the Relevant Period, no person between whom there is arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code and 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, or any of the Company’s associates by virtue of classes (2), (3) or (4) of the definition of “associate” under the Takeovers Code had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

6. LITIGATION

As at the Latest Practicable Date, none of the Company or any of its subsidiaries or any of its associates was engaged in any litigation or claims of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

7. MATERIAL CONTRACTS

As at the Latest Practicable Date, save for the contracts below, there was no material contract (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) entered into by the Group within the two years before the Offer Period and ending on the Latest Practicable Date:

- 1. the placing agreement dated 28 January 2022 entered into between the Company as the issuer and Well Link Securities as the placing agent in relation to the offer by way of private placing of the notes in an aggregate principal amount of HK\$40,000,000 with the interest of 3% per annum and maturity date on the 3rd anniversary of the date

of the issue of the Notes (the “Notes”), where Well Link Securities agreed to procure, on a best effort basis, certain placees who are Independent Third Parties to subscribe for the same during the placing period commencing on 28 January 2022 and ending on the third month of such date with the placing price being 100% of the principal amount of the Notes and a placing commission at certain percentage of the principal amount of the Notes successfully placed by the Placing Agent (For further details, please refer to the announcements of the Company dated 28 January 2021 and 31 January 2023.); and

2. (a) The memorandum for the mortgage sale and purchase entered into between Excalibur Finance and Enriched Goldenroad dated 10 January 2022 in respect of the Acquisition (as defined below); and (b) the deed of transfer of mortgage executed by Enriched Goldenroad in favour of Excalibur Finance on 10 January 2022, pursuant to both of which Excalibur Finance conditionally agreed to purchase and Enriched Goldenroad conditionally agreed to sell eight mortgages in the aggregate principal amount of HK\$5,616,444 together with all outstanding interests, and including: (i) all the estate, right, title interest, and benefits held by Enriched Goldenroad in and under the said mortgages, including but not limited to the right to demand, sue for, recover, receive and give receipts for the outstanding principal amounts of the said mortgages; and (ii) all other rights, title, interest and benefit of Enriched Goldenroad in relation to the said mortgages and any related security, at the consideration of HK\$6,032,665, which shall be satisfied by Excalibur Finance in cash upon completion (the “**Acquisition**”). (For further details, please refer to the announcement of the Company dated 10 January 2022.).

8. EXPERT AND CONSENT

The following is the qualifications of the expert which has given opinions or advices contained or referred to in this Composite Document:

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 independent financial adviser appointed by the Independent Board Committee for the purpose of advising the Independent Board Committee in connection with the Offer and in particular as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

Rainbow Capital (HK) Limited has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of the text of its letter and/or report and the references to its name in the form and context in which it appears herein.

9. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, (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) had been entered into or amended within 6 months before the Offer 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).

10. MISCELLANEOUS

- (a) As at the Latest Practicable Date, the registered office of the Company is situated at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and its principal place of business in Hong Kong is situated at Unit 3711, 37/F, West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong.
- (b) As at the Latest Practicable Date, the Board comprised Mr. Poon Kwok Wah Allan, Ms. Lee Mei Chun and Ms. Choi Ching Jennifer as executive Directors, Mr. Lam Ka Tai as non-executive Director and Mr. Chin Kam Cheung and Mr. Siu Miu Man, M.H. as independent non-executive Directors.
- (c) As at the Latest Practicable Date, the registered office of the Independent Financial Adviser, Rainbow Capital (HK) Limited, is situated at 5B, 12/F, Tung Ning Building, No.2 Hillier Street, Sheung Wan, Hong Kong.
- (d) The English text of this Composite Document shall prevail over their respective Chinese text in case of inconsistency.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the SFC (<http://www.sfc.hk>) and the Company (<http://www.excalibur.com.hk>) from the date of this Composite Document up to and including the Closing Date:

- (i) the amended and restated articles of association of the Company;
- (ii) the Annual Report 2020, the Annual Report 2021, the Annual Report 2022, the Interim Report 2023 and the Third Quarterly Report 2023;
- (iii) the letter from the Board, the text of which is set out in this Composite Document;

- (iv) the letter from the Independent Board Committee, the text of which is set out in this Composite Document;
- (v) the material contracts referred to in the section headed “Material Contracts” in this Appendix IV to this Composite Document;
- (vi) the letter from the Independent Financial Adviser, the text of which is set out in this Composite Document; and
- (vii) the written consent referred to in the paragraph headed “8. EXPERT AND CONSENT” in this Appendix.