



SOMERLEY CAPITAL LIMITED

20/F., China Building, 29 Queen's Road Central, Hong Kong

Telephone: 2869 9090 Fax: 2526 2032 E-Mail: somerley@somerley.com.hk

22 July 2025

To the Shareholders and the Optionholders,

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFERS BY
SOMERLEY CAPITAL LIMITED ON BEHALF OF
MISSION FORWARD LIMITED
TO ACQUIRE ALL OF THE ISSUED SHARES IN AND
TO CANCEL ALL OUTSTANDING OPTIONS OF
HONG KONG TECHNOLOGY VENTURE COMPANY LIMITED
(OTHER THAN THOSE SHARES AND OPTIONS ALREADY OWNED BY
MISSION FORWARD LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

1. INTRODUCTION

Reference is made to the Joint Announcement in relation to, among others, the SPAs and the Offers. As disclosed in the Joint Announcement, on 26 June 2025, the Offeror entered into the SPAs with the Sellers respectively. Subject to and in accordance with the SPAs, the Offeror has agreed to purchase, and Mr. Leung and Mr. Yau have agreed to sell, 10,499 and 4,910 ordinary shares in Top Group respectively (representing approximately 20.10% and 9.40% of the total issued share capital of Top Group, respectively, as at the date of the Joint Announcement), for HK\$42,812,476 and HK\$20,021,836 respectively, representing an aggregate consideration of HK\$62,834,312, which has been settled with the Sellers Loans.

The Offeror on one hand, and each of the Sellers on the other hand, have agreed to give certain customary representations and warranties in favour of the other party.

SPA Completion has taken place on the date of the SPAs.

Immediately prior to SPA Completion, (i) the Offeror had no direct interest in the Shares or the issued share capital in Top Group; and (ii) Mr. Wong, Vice-Chairman, Group Chief Executive Officer and an Executive Director of the Company and the sole shareholder of the Offeror, had approximately 22.30% shareholding interest in Top Group, which is directly interested in 355,051,177 Shares, representing approximately 45.01% of the total issued Shares. Mr. Wong is interested in 10,000,000 outstanding Options. Mr. Cheung, being a concert party of the Offeror,



is interested in 51,377,763 Shares, representing 6.51% of the total issued Shares, and 9,000,000 outstanding Options. Ms. Wong, being a concert party of the Offeror, is interested in 50,000 Shares, representing 0.01% of the total issued Shares, and 4,000,000 outstanding Options.

As at the Latest Practicable Date, the Offeror and Mr. Wong held approximately 51.80% of the issued share capital of Top Group and were indirectly interested in 355,051,177 Shares held by Top Group, representing approximately 45.01% of the total issued Shares. Accordingly, the Offeror and Mr. Wong, together with the Offeror's concert parties, were interested in 406,478,940 Shares, representing approximately 51.53% of the total issued Shares, and 23,000,000 outstanding Options.

Immediately prior to SPA Completion, Mr. Wong held approximately 22.30% shareholding interest in Top Group. As a result of the SPA Completion, Mr. Wong holds directly and indirectly (through the Offeror) approximately 51.80% shareholding interest in Top Group and has therefore acquired statutory control of Top Group which in turn holds a controlling interest in the Company. The Offeror is therefore required to make the Share Offer for all the issued Shares (other than those already owned by the Offeror and its concert parties) in accordance with Note 8 to Rule 26.1 of the Takeovers Code and the Offeror is also required to make the Option Offer to cancel all the outstanding Options (other than those already owned by the Offeror and its concert parties) in accordance with Rule 13 of the Takeovers Code.

On 26 June 2025, the Offeror and the Company jointly announced that unconditional mandatory cash offers would be made by Somerley on behalf of the Offeror (i) to acquire all of the issued shares in the Company (other than those Shares already owned by the Offeror and parties acting in concert with it), being 382,406,841 Shares representing approximately 48.47% of the total issued Shares as at the Latest Practicable Date, at the Share Offer Price of HK\$0.654 per Share, and (ii) to cancel all the outstanding options of the Company (other than those Options already owned by the Offeror and parties acting in concert with it), being 18,105,962 Options outstanding under the 2012 Share Option Scheme. The exercise of such Options in full would result in the issue of 18,105,962 new Shares, representing approximately 2.24% of the total issued Shares as enlarged by the issue of such new Shares as at the Latest Practicable Date, at the Option Offer Price of HK\$0.0001 per Option.

This letter forms part of this Composite Document and sets out, among others, the principal terms of the Offers, the information on the Offeror, the reasons for making the Offers and the intention of the Offeror in relation to the Company. Further details of the Offers and the procedures for accepting the Offers are set out in Appendix I to this Composite Document and in the accompanying Forms of Acceptance and the additional information set out in the appendices to, and which forms part of, this Composite Document.

Your attention is also drawn to the "Letter from the Board" on pages 19 to 33, the "Letter from the Independent Board Committee" on pages 34 to 36 and the "Letter from Altus Capital" on pages 37 to 61 of this Composite Document.



Terms defined in this Composite Document have the same meanings in this letter unless the context otherwise requires.

2. THE OFFERS

Somerley, on behalf of the Offeror, is making the Offers in compliance with the Takeovers Code on the following basis:

A. The Share Offer

The Share Offer is made by Somerley on behalf of the Offeror in compliance with the Takeovers Code on the following basis:

(i) The Share Offer Price

For each Offer Share HK\$0.654 in cash

Top Group is a special purpose vehicle established principally to hold its investment in the Shares. The Share Offer Price of HK\$0.654 per Offer Share is calculated based on the Pacpo Formula set out in Practice Note 19 to the Takeovers Code, taking into account (i) the aggregate Consideration payable by the Offeror and the number of ordinary shares in Top Group transacted under the SPAs (i.e. the Sale Shares), (ii) the value of the Shares held by Top Group relative to the net asset value of Top Group, as adjusted by the special dividend declared by the Company on 27 March 2025, a corresponding dividend declared by Top Group, and the effect of the exercise of Options pursuant to the 2012 Share Option Scheme in May 2025, and (iii) the number of Shares held by Top Group.

Based on the Pacpo Formula, the Share Offer Price of HK\$0.654 per Offer Share is calculated as follows:

Net asset value of the Company ^{Note 1}	x	Top Group's % shareholding in the Company	x	Consideration under the SPAs/ number of the Sale Shares	x	Total issued share capital of Top Group
Net asset value of Top Group ^{Note 2}				Number of Shares held by Top Group		

Note 1: The net asset value of the Company represents the consolidated net asset value attributable to the Shareholders as at 31 December 2024, minus the aggregate special dividend declared on 27 March 2025 and paid on 6 June 2025, plus the funds raised arising from the issuance of new Shares upon exercise of Options pursuant to the 2012 Share Option Scheme in May 2025, being approximately HK\$1,572.3 million.



Note 2: The net asset value of Top Group represents the net asset value attributable to the shareholders of Top Group as at 31 December 2024, as adjusted by the followings: (i) the aggregate dividend declared by Top Group to its shareholders, following receipt of abovementioned special dividend from the Company; and (ii) the decrease in Top Group's share of net assets in the Company mainly as a result of a dilution of Top Group's shareholding in the Company following the issuance of new Shares upon exercise of Options pursuant to the 2012 Share Option Scheme in May 2025, being approximately HK\$649.5 million.

As at the Latest Practicable Date, the Company had 788,885,781 Shares in issue. The Offeror and its concert parties are interested in 406,478,940 Shares, representing approximately 51.53% of the total issued Shares. The total number of Offer Shares is therefore 382,406,841 Shares representing approximately 48.47% of the total issued Shares.

The Company confirmed that as at the Latest Practicable Date, (a) the Company had no dividends or distributions which had been declared but unpaid; and (b) the Company had no intention to make, declare or pay any dividends or distributions prior to the close of the Offers.

The Share Offer Price will not be increased, and the Offeror does not reserve the right to do so. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Share Offer Price.

The Offer Shares to be acquired under the Share Offer shall be fully paid and shall be acquired free from all Encumbrances and sold together with all rights and benefits attaching to them as at the date such Shares are transferred to the Offeror or subsequently becoming attached to them, including but not limited to the right to receive all dividends, distributions and any return of capital, if any, which may be paid, made or declared, or agreed to be made or paid thereon or in respect thereof on or after the date on which the Share Offer is made, being the date of this Composite Document, unless the Offeror has reduced the Share Offer Price in respect of any dividend declared, paid/made or agreed to be paid/made by the Company up to the close of the Share Offer. In the event that the Company decides to declare, pay, make or agree to pay or make any dividends on or after the date of the Joint Announcement and up to close of the Share Offer, the Offeror will reduce the Share Offer Price by the amount of such dividends. The Company has confirmed that it does not intend to make, declare or pay any dividends or distributions before close of the Offers.

(ii) Comparison of value

The Share Offer Price of HK\$0.654 per Share represents:

- (a) a discount of approximately 59.4% to the closing price of HK\$1.61 per Share as quoted on the Stock Exchange on the Latest Practicable Date;



- (b) a discount of approximately 57.8% to the closing price of HK\$1.55 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (c) a discount of approximately 58.3% to the average closing price of approximately HK\$1.57 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including the Last Trading Date;
- (d) a discount of approximately 59.4% to the average closing price of approximately HK\$1.61 per Share as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Date;
- (e) a discount of approximately 72.4% to the Group's net asset value attributable to the Shareholders of approximately HK\$2.37 per Share pursuant to the latest audited consolidated financial statements of the Company as at 31 December 2024, calculated based on the consolidated net asset value attributable to the Shareholders of HK\$1,871,619,000 as at 31 December 2024 as derived from the audited consolidated financial statements of the Company as at and for the year ended 31 December 2024 and 788,885,781 Shares in issue as at the Latest Practicable Date;
- (f) a discount of approximately 67.1% to the Group's adjusted net asset value attributable to the Shareholders of approximately HK\$1.99 per Share pursuant to the latest audited consolidated financial statements of the Company as at 31 December 2024, calculated based on the consolidated net asset value attributable to the Shareholders of HK\$1,871,619,000 as at 31 December 2024 as derived from the audited consolidated financial statements of the Company as at and for the year ended 31 December 2024 adjusted by the payment of the special dividend of 38 Hong Kong cents per Share, totalling approximately HK\$299,777,000, declared on 27 March 2025 and paid on 6 June 2025, and 788,885,781 Shares in issue as at the Latest Practicable Date; and
- (g) a discount of approximately 69.4% to the Group's adjusted net asset value attributable to the Shareholders of approximately HK\$2.14 per Share, calculated based on the adjusted unaudited consolidated net asset value of the Group attributable to the Shareholders of HK\$1,688,712,000, the calculation of which is set out in the section headed "PROPERTY INTERESTS AND ADJUSTED NET ASSET VALUE" in Appendix II to this Composite Document, and 788,885,781 Shares in issue as at the Latest Practicable Date.

(iii) Highest and lowest share prices of Shares

During the Relevant Period, the highest closing price of Shares (on an ex-dividend basis) as quoted on the Stock Exchange was HK\$1.879 per Share on 7 May 2025, and the lowest closing price of Shares (on an ex-dividend basis) as quoted on the Stock Exchange was HK\$0.98 per Share on 13 March 2025.



B. The Option Offer

In accordance with Rule 13 of the Takeovers Code, when the Share Offer is made, Somerley, on behalf of the Offeror, also makes an appropriate offer to cancel all the outstanding Options (other than those already owned by the Offeror and its concert parties), whether vested or unvested, by way of the Option Offer. The Option Offer Price represents the “see-through” price, which is the difference between the Share Offer Price and the exercise price for each Option, and is made on the following terms:

(i) The Option Offer Price

**For each Option with exercise price
above the Share Offer Price HK\$0.0001 in cash**

The Option Offer Price per Option is illustrated in the following table:

2012 Share Option Scheme

Date of grant	Period during which Share Options are exercisable	Exercise price per Share (HK\$)	Number of new Shares to be issued upon exercise of Share Options by Optionholders	Option Offer Price per Option (HK\$)
21 February 2017	1 March 2018 to 20 February 2027 <i>Note 1</i>	1.450	4,088,000	0.0001
23 March 2017	1 March 2018 to 22 March 2027	1.464	1,000,000	0.0001
26 May 2017	1 March 2018 to 22 March 2027	1.464	19,000,000	0.0001
27 December 2019	1 January 2021 to 26 December 2029	3.420	3,203,750	0.0001
27 December 2019	1 January 2022 to 26 December 2029	3.420	4,814,212	0.0001



Date of grant	Period during which Share Options are exercisable	Exercise price per Share (HK\$)	Number of new Shares to be issued upon exercise of Share Options by Optionholders	Option Offer Price per Option (HK\$)
27 March 2020	27 March 2021 to 26 March 2030	4.434	4,500,000	0.0001
27 March 2020	27 March 2022 to 26 March 2030	4.434	4,500,000	0.0001
Total:			41,105,962	

Note 1: Among these 4,088,000 Options, the exercise of 893,000 Options is subject to certain conditions that must be achieved by the grantees. These Options vested on 1 March 2018 and shall be exercised not later than 20 February 2027.

As all outstanding Options have exercise prices in the range of HK\$1.450 and HK\$4.434 per Share, which are above the Share Offer Price, and are therefore out-of-the-money, the Option Offer Price for the cancellation of each such Option is a nominal cash amount of HK\$0.0001.

As at the Latest Practicable Date,

- (a) there was an aggregate of 41,105,962 Options outstanding under the 2012 Share Option Scheme, each giving the Optionholder the right to subscribe for one new Share. The exercise of such Options in full would result in the issue of 41,105,962 new Shares, representing approximately 4.95% of the total issued Shares as enlarged by the issue of such new Shares; and
- (b) save for 23,000,000 Options owned by the Offeror and its concert parties, there was an aggregate of 18,105,962 Options outstanding under the 2012 Share Option Scheme. The exercise of such Options in full would result in the issue of 18,105,962 new Shares, representing approximately 2.24% of the total issued Shares as enlarged by the issue of such new Shares.

As set out in the “Letter from the Board” of this Composite Document, pursuant to the rules of the 2012 Share Option Scheme, the Independent Optionholders will be entitled to exercise their Options at any time within fourteen days after the publication of this Composite Document. All Options which have not been exercised during such period will lapse automatically at the expiry of such period. The Independent



Optionholders will not be able to accept the Option Offer in respect of any Options which have lapsed.

If any Option is exercised in accordance with the terms of the 2012 Share Option Scheme prior to the close of the Share Offer, any Shares issued as a result of such exercise will be subject to the Share Offer.

(ii) 2020 Share Option Scheme

As at the Latest Practicable Date, no share option had been granted under the 2020 Share Option Scheme since its adoption.

Save and except for the Options, there were no other outstanding options, warrants, derivatives or securities convertible or exchangeable into Shares or other relevant securities as at the Latest Practicable Date.

3. OFFERS ARE UNCONDITIONAL

The Offers are unconditional in all respects and are not conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions. Acceptance of the Offers will become irrevocable and cannot be withdrawn unless in accordance with Rule 19.2 of the Takeovers Code.

4. TOTAL VALUE OF THE OFFERS

On the basis of the Share Offer Price of HK\$0.654 per Offer Share and assuming that no Option is exercised, cancelled or lapsed before the close of the Offers, the Share Offer (excluding 406,478,940 Shares already owned by the Offeror and its concert parties) is valued at approximately HK\$250,094,000 and, on the basis of the Option Offer Price of HK\$0.0001 for each Option with exercise price above the Share Offer Price, the total amount required to satisfy the cancellation of all the outstanding Options (excluding the 10,000,000, 9,000,000 and 4,000,000 outstanding Options held by Mr. Wong, Mr. Cheung and Ms. Wong respectively) is approximately HK\$2,000. Based on the aforesaid and assuming that no Option is exercised, cancelled or lapsed before the close of the Offers, the Offers are valued at approximately HK\$250,096,000 in aggregate.

As at the Latest Practicable Date, there were 41,105,962 Options outstanding. Assuming all of the exercisable Options (excluding the 10,000,000, 9,000,000 and 4,000,000 outstanding Options held by Mr. Wong, Mr. Cheung and Ms. Wong respectively) are exercised before the close of the Offers, the Company will have to issue 18,105,962 new Shares. Assuming all of the exercisable Options (excluding the 10,000,000, 9,000,000 and 4,000,000 outstanding Options held by Mr. Wong, Mr. Cheung and Ms. Wong respectively) are exercised before the close of the Offers and the Share Offer, including in respect of such new Shares issued upon exercise of such exercisable Options is accepted in full, the maximum cash consideration for the Offers is approximately HK\$261,935,000.



Confirmation of financial resources

The Offeror intends to finance and satisfy the maximum cash consideration payable under the Offers by its internal cash resources and the Offers Loans. The repayment of the Offers Loans is not intended to depend to any significant extent on the business of the Company.

Somerley, the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum cash consideration payable by the Offeror upon full acceptance of the Offers.

5. INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in British Virgin Islands with limited liability, and is a special purpose vehicle established by, and wholly-owned by, Mr. Wong and is principally engaged in investment holding. Mr. Wong is the sole shareholder and sole director of the Offeror.

6. INTENTION OF THE OFFEROR ON THE COMPANY

A. Business and management

The Offeror's intention is for the Group to continue to carry on its existing principal businesses and research and development and the Offeror does not have specific plans to introduce any major changes to the existing principal business of the Group (including, without limitation, those set out under the section headed "INFORMATION ON THE COMPANY AND THE GROUP" in the "Letter from the Board"). The Offeror will continue to conduct a strategic review of the Group's principal businesses, business development strategy, and financial position to assess whether any changes are appropriate or desirable following close of the Offers with the objective to optimize the Group's operations and future development. Based on the outcome of such review and/or any future developments, the Offeror may implement changes it considers necessary, appropriate, or beneficial to enhance the Group's long-term growth potential. For completeness, as at the Latest Practicable Date, the Offeror had not identified any major changes to be implemented to the Group's existing principal businesses.

The Offeror has no intention (1) to redeploy any fixed assets of the Group or to discontinue the employment of the employees (other than in the ordinary and usual course of business of the Group or due to personal performance or conduct issues) or (2) to nominate or appoint new Directors to the Board.



B. Maintaining of listing status of the Company

The Offers are required to be extended to all Independent Shareholders and all Independent Optionholders as a result of the completion of the sale and purchase of the Sale Shares in Top Group in accordance with Rules 26.1 and 13 of the Takeovers Code. The Offeror does not have any intention to privatise the Company. The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offers. The Offeror intends that, following the close of the Offers, appropriate steps will be taken as soon as possible to ensure that not less than 25% of the Shares will be held by the public. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any outstanding Offer Shares after the close of the Offers.

7. GENERAL MATTERS RELATING TO THE OFFERS

A. Procedures for Acceptance

The Offers are open for acceptance from the date of this Composite Document. In order to accept the Offers, Independent Shareholders and Independent Optionholders should complete and return the relevant accompanying Form of Acceptance in compliance with Note 1 to Rule 30.2 of the Takeovers Code and in accordance with the instructions set out in this Composite Document and the instructions printed on the relevant Form of Acceptance. The instructions in this Composite Document should be read together with the instructions on the relevant Form of Acceptance (which instructions form part of the terms of the Offers).

No Form of Acceptance received after the Latest Acceptance Time will be accepted.

If the Form of Acceptance is executed by a person other than the registered holder, appropriate evidence of authority (for instance, a grant of probate or certified copy of a power of attorney) must be delivered to the Registrar or the company secretary of the Company (as the case may be) with the completed Form of Acceptance.

No acknowledgement of receipt of any Form of Acceptance or Title Documents will be given.

B. Effect of accepting the Offers

Acceptance of the Share Offer by any Independent Shareholder will be deemed to constitute a warranty by such person that all the Shares sold by such person under the Share Offer are fully paid and shall be acquired free from all Encumbrances and sold together with all rights and benefits attaching to them as at the date such Shares are transferred to the Offeror or subsequently becoming attached to them, including but not limited to the right to receive all dividends, distributions and any return of capital, if any, which may be paid, made or declared, or agreed to be made or paid thereon or in respect thereof on or after the date on which the Share Offer is made, being the date of this Composite Document unless the Offeror has reduced the Share Offer Price in respect of any dividend declared, paid/made or agreed to be paid/made by the Company up to the close of



the Share Offer. In the event that the Company decides to declare, pay, make or agree to pay or make any dividends on or after the date of the Joint Announcement and up to close of the Share Offer, the Offeror will reduce the Share Offer Price by the amount of such dividends. The Company has confirmed that it does not intend to make, declare or pay any dividends or distributions before close of the Offers.

By validly accepting the Option Offer, the outstanding Options tendered by the Independent Optionholders, together with all rights attaching thereto with effect from the date of this Composite Document, will be cancelled. Independent Optionholders should note that pursuant to the rules of the 2012 Share Option Scheme, the Independent Optionholders will be entitled to exercise their Options at any time within fourteen days after the publication of this Composite Document. All Options which have not been exercised during such period will lapse automatically at the expiry of such period. The Independent Optionholders will not be able to accept the Option Offer in respect of any Options which have lapsed.

C. Payment

Payment in cash in respect of acceptances of the Offers will be made no later than seven (7) Business Days after the date on which the Offer Shares and Options are validly tendered for acceptance of the Offers. Relevant Title Documents must be received by the Registrar or the company secretary of the Company (as the case may be) to render each acceptance of the Offers complete and valid.

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

D. Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty on acceptances of the Share Offer at a rate of 0.1% of the amount of the consideration payable in respect of the relevant acceptances by the Independent Shareholders or if higher, the market value of the Shares, will be deducted from the amount payable to the Independent Shareholders who accept the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Shareholders accepting the Share Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Share Offer.

No stamp duty is payable in connection with the acceptance of the Option Offer.



8. AVAILABILITY OF THE OFFERS

The Offeror is making the Offers available to all Independent Shareholders and Independent Optionholders, including those with registered addresses outside Hong Kong. The availability of the Offers to any persons not resident in Hong Kong may be affected by the applicable laws of the relevant jurisdictions. Any Independent Shareholders or Independent Optionholders who are not resident in Hong Kong and who wish to accept the Offers should inform themselves about and observe any applicable requirements in their own jurisdictions. **It is the responsibility of the Independent Shareholders and the Independent Optionholders who are not resident in Hong Kong who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from such Shareholder or Optionholder in respect of such jurisdictions) and, where necessary, consult their own professional advisers.**

9. TAXATION AND INDEPENDENT ADVICE

Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting the Offers or not. It is emphasised that none of the Offeror, Somerley and the Company, nor any of their respective directors, officers, agents or associates or any other person involved in the Offers, accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their accepting or not accepting the Offers.

10. FURTHER TERMS OF THE OFFERS

Please see “Appendix I – Principal Terms of the Offers” to this Composite Document for further terms of the Offers.

11. ADDITIONAL INFORMATION

Your attention is drawn to the “Letter from the Board”, the “Letter from the Independent Board Committee” and the “Letter from Altus Capital” as set out in this Composite Document, the accompanying Forms of Acceptance and the additional information set out in the appendices to, and which forms part of, this Composite Document.

Yours faithfully,
For and on behalf of
Somerley Capital Limited

John Wong
Director