THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **WORLDGATE GLOBAL LOGISTICS LTD**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

WORLDGATE GLOBAL LOGISTICS LTD
盛 良 物 流 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8292)

(1) MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF 100% OF EQUITY INTEREST IN THE TARGET COMPANY INVOLVING ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE; (2) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL; AND (3) NOTICE OF EXTRAORDINARY GENERAL MEETING

Capitalised terms used in the lower portion of this cover page and the inside cover page of this circular shall have the same respective meanings as those defined in the section headed “Definitions” of this circular.

A notice convening the EGM to be held at Unit 5D, 5/F, Hang Cheong Factory Building, No. 1 Wing Ming Street, Kowloon, Hong Kong on Thursday, 17 July 2025 at 11:00 a.m. is set out on pages EGM-1 to EGM-4 of this circular. A form of proxy for use in connection with the EGM is enclosed with this circular. If you are not able to attend the EGM and wish to exercise your right as a Shareholder, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company’s branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for holding the EGM or its adjournment. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or its adjournment if you so wish. If you attend and vote at the EGM, the authority of your proxy will be revoked. Treasury Shares, if any, and registered under the name of the Company shall have no voting rights at the EGM. For the avoidance of doubt and for the purpose of the GEM Listing Rules, Treasury Shares held under the name of CCASS shall abstain from voting at the EGM.

This circular together with a form of proxy will remain on the “Latest Listed Company Announcements” page of the Stock Exchange website at http://www.hkexnews.hk for a minimum period of seven days from the date of its publication and on the Company’s website at http://www.worldgate.com.hk.

Hong Kong, 30 June 2025

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 main board of 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.

CONTENT

In this circular, the following expressions shall have the following meanings unless the context requires otherwise:

"Acquisition"	the acquisition of the Sale Shares by the Company pursuant to the Sale and Purchase Agreement
"associate"	has the meaning ascribed thereto under the GEM Listing Rules
"Auditor Certificate"	a certificate to be issued by the Auditors certifying the amount of Net Profit After Tax for the Profit Guaranteed Period
"Auditors"	an independent firm of auditors practicing in Hong Kong whose appointment shall be mutually approved by the Company and the Vendors
"Board"	the board of Directors
"Business Day"	a day (other than a Saturday, Sunday or public holiday or any day on which a tropical cyclone warning signal number 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
"Buy Back Notice"	a notice to be served by the Vendors jointly on the Company to require the Company to buy back such number of Consideration Shares calculated in accordance with the share buyback formula set out in the section headed "Profit Guarantee"
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Company"	WORLDGATE GLOBAL LOGISTICS LTD, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM (stock code: 8292)

"Completion"	completion of the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement
"Completion Date"	the date on which Completion takes place which shall be within five (5) Business Days after fulfillment (or waiver) of the conditions precedent under the Sale and Purchase Agreement or such other date as the parties shall agree in writing
"connected person(s)"	has the meaning ascribed thereto under the GEM Listing Rules
"Consideration"	an amount of HK$50,000,000, being the purchase price for the Sale Shares
"Consideration Shares"	an aggregate of 318,000,000 new Shares to be allotted and issued to the Vendors (and/or their respective nominee(s)), subject to the terms and conditions in relation of the Profit Guarantee (where applicable) as Consideration
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Consideration Shares under the Specific Mandate) and to approve the Increase in Authorised Share Capital
"Enlarged Group"	the Group as enlarged by the Target Company after Completion
"Escrow Agent"	an escrow agent to be jointly appointed by the Vendors and the Company to stakehold the Escrowed Consideration Shares
"Escrow Agreement"	the escrow agreement to be made between the Vendors, the Company and the Escrow Agent in relation to the stakeholding of the Escrowed Consideration Shares pursuant to the terms and conditions of the Sale and Purchase Agreement and the Escrow Agreement

"Escrow Consideration Shares"	106,000,000 Considerations Shares which are issued to the Vendors but forthwith to be kept under the custody of the Escrow Agent, to secure the performance of the Profit Guarantee by the Vendors
"Extended Long Stop Date"	31 July 2025
"FY2025 Audited Financial Statements"	the audited financial statements of the Target Group for the financial year ending 31 December 2025
"GEM Listing Committee"	has the meaning ascribed thereto under the GEM Listing Rules
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Group"	the Company and its subsidiaries
"Guaranteed Profit"	the Net Profit After Tax calculated in accordance with the applicable accounting standards as shown in the Target Group's audited consolidated financial statements for the financial year ending 31 December 2025 which shall not be less than HK$7,800,000
"Guaranteed Profit Compensation"	the monetary amount of compensation payable by the Vendors to the Company on a joint and several basis for non-fulfillment of the Profit Guarantee
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Increase in Authorised Share Capital"	the proposed increase in the authorised share capital of the Company from HK$100,000,000 divided into 1,000,000,000 Shares of HK$0.10 each to HK$200,000,000 divided into 2,000,000,000 Shares of HK$0.10 each by the creation of an additional 1,000,000,000 unissued Shares of HK$0.10 each

"Independent Third Party(ies)"	any persons or company(ies) and their respective ultimate beneficial owners, to the best of the Director's knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons and their respective associates in accordance with the GEM Listing Rules
"Independent Valuer"	International Valuation Limited, an independent valuer engaged by the Company
"Issue Price"	approximately HK$0.157 per Consideration Share
"Latest Practicable Date"	27 June 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
"Long Stop Date"	30 June 2025 or such later date as agreed by the Parties
"Material Adverse Change"	a material adverse change in the business, operation, assets, positions (financial, trading or otherwise), profits or prospects of the Target Group or any matter, event or circumstance that may result in such a material adverse change
"Net Profit After Tax"	the audited consolidated profits after tax of the Target Group (after excluding other income and any non-recurring gains and losses)
"Notice of Claim"	the notice to be served by the Company upon the Vendors to claim the Guaranteed Profit Compensation
"Parties"	the Company and the Vendors
"Profit Guarantee"	the Guaranteed Profit of the Target Group for the Profit Guaranteed Period
"Profit Guaranteed Period"	the financial year ending 31 December 2025 during which the Profit Guarantee shall be in full force and effect
"RM"	Malaysian Ringgit, the lawful currency of Malaysia

"Sale and Purchase Agreement"	the conditional sale and purchase agreement dated 21 March 2025 entered into between the Company and the Vendors in respect of the Acquisition (as supplemented by the Supplemental Agreement)
"Sale Shares"	10,775 shares in the Target Company which are legally and beneficially owned by the Vendors, representing 100% of the existing issued share capital of the Target Company
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	the ordinary share(s) of nominal or par value of HK$0.1 each in the share capital of the Company
"Share Buy-backs Code"	the Code on Share Buy-backs
"Shareholder(s)"	holder(s) of issued Share(s)
"Silver Hero"	Silver Hero Ventures Limited, a limited liability company incorporated in the British Virgin Islands and an Independent Third Party
"Silver Hero Sale Shares"	775 shares in the Target Company which are legally and beneficially owned by Silver Hero, representing approximately 7.2% of the existing issued share capital of the Target Company
"Specific Mandate"	a specific mandate to allot, issue or otherwise deal in additional Shares to be sought from the Shareholders who are entitled to vote and not required to be abstained from voting under the GEM Listing Rules at the EGM to satisfy the allotment and issue of the Consideration Shares upon Completion
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supplemental Agreement"	the supplemental agreement dated 24 June 2025 entered into between the Company and each of the Vendors to extend the Long Stop Date to the Extended Long Stop Date
"Takeovers Code"	The Hong Kong Code on Takeovers and Mergers

"Target Company"	V Sing Global Limited, a limited liability company incorporated in the British Virgin Islands whose entire issued share capital is held approximately 92.8% and approximately 7.2% by V Sing Holdings and Silver Hero, respectively
"Target Group"	Target Company and its subsidiaries, namely V Sing International, V Sing HK and VSING Technologies
"Treasury Shares"	has the meaning ascribed thereto under the GEM Listing Rules
"V Sing HK"	V Sing Hong Kong Limited is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Target Company
"V Sing Holdings"	V Sing Holdings Limited, a limited liability company incorporated in the British Virgin Islands and an Independent Third Party
"V Sing Holdings Sale Shares"	10,000 shares in the Target Company which are legally and beneficially owned by the V Sing Holdings, representing approximately 92.8% of the existing issued share capital of the Target Company
"V Sing International"	V Sing International Limited is a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Target Company
"Valuation"	the valuation of the Target Group provided by the Independent Valuer, valuing the Target Group at approximately HK$57,400,000 based on the enterprise value-to-earnings before interest, tax, depreciation and amortization ("**EV/EBITDA**") multiple
"Valuation Date"	31 December 2024
"Valuation Report"	the valuation report prepared by the Independent Valuer in respect of the valuation of 100% equity interest of the Target Group as at the Valuation Date by adopting the market approach
"Vendors"	V Sing Holdings and Silver Hero
"VSING Technologies"	VSING TECHNOLOGIES SDN. BHD. is a company incorporated in Malaysia with limited liability and a wholly-owned subsidiary of the Target Company

"%"	per cent.

For illustration purposes, amounts in RM in this circular have been converted into HK$ based on the exchange rate of RM1 = HK$1.86. Such conversion shall not be construed as representations that amounts in RM were or may have been converted into HK$ at such rate or any other exchange rate.

WORLDGATE GLOBAL LOGISTICS LTD
盛 良 物 流 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8292)

Executive Directors:
Mr. Lai Kwok Hei
Mr. Chan Kin Ho Philip

Independent non-executive Directors:
Ms. Wong Hoi Yan Audrey
Mr. Ma Kin Hung
Ms. Cheung Choi Hung

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

Principal place of business in Hong Kong:
Unit 5D, 5/F
Hang Cheong Factory Building
No. 1 Wing Ming Street
Kowloon
Hong Kong

30 June 2025

To the Shareholders

Dear Sir or Madam,

(1) MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF 100% OF EQUITY INTEREST IN THE TARGET COMPANY INVOLVING ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE; (2) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL; AND (3) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcements of the Company dated 21 March 2025, 17 April 2025, 15 May 2025 and 24 June 2025 in relation to, amongst other things, the major transaction regarding the Acquisition and the entering into of the Supplemental Agreement to extend the Long Stop Date to the Extended Long Stop Date.

The purpose of this circular is to provide you with, among others, (i) further information on the Target Company, the Sale and Purchase Agreement and the transactions contemplated thereunder, including the issue of the Consideration Shares under the Specific Mandate; (ii) the audited financial information of the Target Group; (iii) the unaudited pro forma financial information of the Enlarged Group; (iv) further details of the proposed grant of the Specific Mandate; (v) details of the Increase in Authorised Share Capital; (vi) the notice convening the EGM; and (vii) other information as required to be disclosed, in accordance with the requirements under the GEM Listing Rules.

THE ACQUISITION

On 21 March 2025 (after trading hours), the Company and the Vendors entered into the Sale and Purchase Agreement, pursuant to which the Company has conditionally agreed to purchase, and (i) V Sing Holdings has conditionally agreed to sell the V Sing Holdings Sale Shares, representing approximately 92.8% of the entire issued share capital of the Target Company; and (ii) Silver Hero has conditionally agreed to sell the Silver Hero Sale Shares, representing approximately 7.2% of the entire issued share capital of the Target Company, for an aggregate consideration of HK$50,000,000.

The Consideration shall be satisfied by the Company by way of allotment and issue of a total of 318,000,000 Consideration Shares, credited as fully paid, to the Vendors and/or their respective nominee(s).

As at the Latest Practicable Date, the Target Company is owned as to approximately 92.8% by V Sing Holdings and approximately 7.2% by Silver Hero. Upon Completion, the Company will be interested in the entire issued share capital of the Target Company. As such, the Target Company will become a wholly-owned subsidiary of the Company and the financial information of the Target Group will be consolidated into the consolidated financial statements of the Group.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are summarized as follows:

Date: 21 March 2025

Parties: (i) the Company as the purchaser;

(ii) V Sing Holdings; and

(iii) Silver Hero.

V Sing Holdings and Silver Hero as the Vendors.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendors and their respective ultimate beneficial owners are Independent Third Parties. Further information in relation to the Vendors is set out in the section headed "Information of the Vendors" in this circular.

Save for the commitment of the Company in the Target Group as set out in section headed "Further Commitment of the Company in the Target Group" below, to the best of the directors' knowledge, information and belief, having made all reasonable enquiries, there is no, and in the past twelve months, there has not been, any other material loan arrangement between (a) the Vendors, any of their directors and legal representatives and/or any ultimate beneficial owner(s) of the Vendors who can exert influence on the transaction; and (b) the Company, any connected person at the Company's level and/or any connected person at the subsidiary level (to the extent that such subsidiary is involved in the transaction).

Subject Matter

Pursuant to the terms and conditions of the Sale and Purchase Agreement, the Company has conditionally agreed to purchase and (i) V Sing Holdings has conditionally agreed to sell the V Sing Holdings Sale Shares, representing approximately 92.8% of the entire issued share capital of the Target Company; and (ii) Silver Hero has conditionally agreed to sell the Silver Hero Sale Shares, representing approximately 7.2% of the entire issued share capital of the Target Company.

Consideration

The Consideration is HK$50,000,000, which shall be satisfied by the Company by way of allotment and issue of an aggregate of 318,000,000 Consideration Shares credited as fully paid to the Vendors (and/or their respective nominee(s)) in the following manner:

(a) HK$46,403,712, payable to V Sing Holdings shall be settled by allotting and issuing 295,127,610 Consideration Shares to V Sing Holdings and/or its nominee(s); and

(b) HK$3,596,288, payable to Silver Hero shall be settled by allotting and issuing 22,872,390 Consideration Shares to Silver Hero and/or its nominee(s).

Escrow Arrangement

For the purpose of the Profit Guarantee, the Vendors and the Company shall jointly appoint the Escrow Agent to stakehold the Escrowed Consideration Shares on and subject to the terms and conditions of the Escrow Agreement.

Out of the entire portfolio of 318,000,000 Consideration Shares, the share certificates representing 106,000,000 Consideration Shares shall be retained by the Escrow Agent upon allotment and issuance at Completion to secure the performance of the Profit Guarantee by the Vendors. Further information of the Profit Guarantee is set out under the section headed "Profit Guarantee" below.

The Vendors jointly and severally undertook in favour of the Company to cause to stakehold or procure the stakeholding of the Escrowed Consideration Shares immediately upon Completion with the Escrow Agent. The Parties shall not, and shall procure the Escrow Agent not to, dispose of, create any encumbrance on or otherwise deal with the Escrowed Consideration Shares or any part thereof otherwise than in accordance with the Profit Guarantee.

For the avoidance of doubt and subject to the escrow arrangement over the Escrowed Consideration Shares, the Vendors shall be entitled to voting rights and rights to receive dividends, distributions and other payments attached to the Escrowed Consideration Shares which are retained by the Escrow Agent before the fulfilment of the Profit Guarantee by the Target Group. The Directors consider that as the Escrowed Consideration Shares are issued to the Vendors on the Completion Date, it is reasonable that the Vendors, who shall become the Shareholders in respect of the Escrowed Consideration Shares, will be entitled to the rights and interests in respect of the Escrowed Consideration Shares which all other Shareholders have.

Notwithstanding that the Vendors are entitled to the Shareholders' rights attached to the Escrowed Consideration Shares before the Target Group has fulfilled the Profit Guarantee, as a safeguard to the Company, the Escrowed Consideration Shares will be subject to the custody of the Escrow Agent, details of which are set out in the section headed "Profit Guarantee" below.

In the negotiation process with the Vendors, the Company understands that from the point of view of the Vendors, the entire issued share capital of the Target Company will be transferred to the Company upon Completion, subject to the fulfilment of the conditions precedent (which do not include the fulfilment of the Profit Guarantee). Therefore, it is natural for the Vendors to require a substantial part of the Consideration to be settled upon Completion and in this case, the issuance and allotment of approximately 67% of the Consideration Shares. If the Profit Guarantee is not achieved in whole, adjustment will be made accordingly and the Company will repurchase and cancel such number of Consideration Shares at nil consideration (as detailed in the section headed "Profit Guarantee" below) and the Vendors are required to return all distribution and dividends declared and paid by the Company (if any) before such repurchase. Further, in respect of the voting rights, according to the GEM Listing Rules or the articles of association of the Company, any Shareholder that has a material interest in the transaction or arrangement shall abstain from voting on the resolution(s) approving the transaction or arrangement at the general meeting. Therefore, where the Vendors have a material interest in a proposed transaction or arrangement to be approved at the general meeting of the Company, the Vendors are required to abstain from voting on the resolution(s) approving the transaction or arrangement.

Having considered the above, the Board is of the view that the escrow mechanism in respect of the Escrowed Consideration Shares is fair and reasonable and sufficient to safeguard the interest of the Company and its Shareholders as a whole before fulfilment of the Profit Guarantee by the Target Company.

Basis of Consideration

The Consideration was determined after arm's length negotiations between the Parties on normal commercial terms, after taking into account, among others, (i) the Valuation; (ii) the Profit Guarantee provided by the Vendors; (iii) the recent financial performance of the Target Group; (iv) the future prospects of the Target Group as set out in the section headed "Information of the Target Group" below; and (v) the reasons and benefit of the Acquisition as set out in the section headed "Reasons for and Benefit of the Acquisition" below.

In view of the Valuation and the reasons set out above, the Directors are of the view that the Consideration is fair and reasonable and on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

THE VALUATION

The Company engaged the Independent Valuer to perform a valuation of 100% equity interest of the Target Group as of the Valuation Date. The Valuation Report is prepared by Ms. Winnie Lam and Mr. Kevin Kwong. Ms. Winnie Lam has more than 10 years of experience in valuation and financial analyses, including business valuation, valuation of intangible assets, financial instruments, natural resources projects and purchase price allocation. Ms. Lam is a charter holder of Chartered Financial Analyst (CFA). Mr. Kevin Kwong has more than 10 years of experience in business valuation, intangible assets valuation, purchase price allocation, and impairment tests for financial reporting and transaction reference purposes. Mr. Kwong is a charter holder of Chartered Financial Analyst (CFA), Chartered Valuer and Appraiser, Singapore (CVA) and Financial Risk Manager (FRM). The text of the Valuation Report is set out in Appendix V to this circular.

According to the Valuation Report, the market value of the 100% equity interest in the Target Group as of the Valuation Date was approximately HK$57,400,000. The Valuation was performed using the guideline public company method under the market approach. In application of the guideline public company method, the enterprise value-to-earnings before interest, tax, depreciation and amortization ("**EV/EBITDA**") multiple was adopted by the Independent Valuer to derive their valuation opinion.

Nature and Source of Information

The Independent Valuer relied upon information and documents furnished by the Company, including the following:

(a) General descriptions and background of the Target Group;

(b) Shareholding structure chart of the Target Group;

(c) Share purchase agreement entered into by the Group in relation to the acquisition of 100% equity interest in the Target Group; and

(d) Consolidated financial statements of the Target Group for the year ended 31 December 2024.

The Independent Valuer obtained other information regarding the economy, as well as additional financial data from sources deemed to be reliable. In addition, the Independent Valuer discussed with the Company concerning the financial and general outlook of the Target Group. In the course of the Valuation, the Independent Valuer relied on financial and other information provided by the Company and have considered such information and data as attainable and reasonable. The Independent Valuer also used financial and other information obtained from private and public sources it considered reliable.

Valuation Approach

There are three general valuation approaches, namely the income approach, market approach, and asset approach. The Independent Valuer considered all three approaches and chose the most appropriate approach for the purpose and scope of the Valuation, as well as the nature and reliability of the data available.

Having considered (i) the business nature of the Target Group; (ii) the income approach involves prospective financial projection at market participants' point of view, which is subject to a number of assumptions and contingent factors and is not reliably available; (iii) the cost approach may not be able to reflect the expected future economic benefits of an income-generating business, the Independent Valuer is of the view that the market approach would be appropriate and reasonable in the valuation of the market value of the Target Group as it could reflect the current market's investment preferences or investment habitat, and provide up-to-date public market information to allow the Board to make a more informative decision.

Market-approach

According to the Independent Valuer, the market approach uses direct comparisons to other enterprises and their equity securities to estimate the market value of the common shares of privately issued securities. The market approach bases the market value measurement on what other similar enterprises or comparable transactions indicate the value to be. Under this approach, investment by unrelated parties in comparable equity securities of the subject enterprise or transactions in comparable equity securities of comparable enterprises is examined. One commonly used "market comparables" method is the guideline public company method.

In adopting the guideline public company method under the market approach, the Independent Valuer has adopted the EV/EBITDA multiple as the appropriate valuation multiple for the following reasons:

(a) EV/Sales and P/S multiples were not adopted since these multiples could not take into account of the differences in cost structure and profit margin between the Target Group and the comparable companies;

(b) P/B multiple was not adopted because book value does not necessarily reflect the profitability or the earning capability of Target Group, and the Target Group did not possess significant fixed assets as of the Valuation Date;

(c) EV/EBITDA multiple was preferred over P/E multiple since it could capture the differences in capital structure (i.e. net cash/(debt)) between the Target Group and comparable companies; and

(d) EV/EBITDA multiple could also adjust for the differences in taxes and non-cash items such as depreciation and amortization between the Target Group and comparable companies to provide a clearer view of the profitability of the underlying business of the Target Group and makes it easier to compare with its peers and comparable companies; and

(e) the selection of EV/EBITDA multiple is a particularly useful and relevant valuation multiple for a growth stage company that has recently turned profitable after prior losses. The Target Group is generally considered to be in the growth stage of its business development and recorded a significant growth in revenue for the financial year ended 31 December 2024, as compared to the financial year ended 31 December 2023.

The Board has considered the different valuation approaches and the valuation multiples and assessed the appropriateness of the adopted approach and valuation multiple. In view of (i) the limitations of the different approaches and valuation multiples as advised by the Independent Valuer and (ii) the nature of the business of the Target Group and its light fixed asset feature, the Board is of the view that the use of the market approach and the EV/EBITDA multiple to be fair and reasonable.

Selection of Guideline Companies

According to the Independent Valuer, the selection of guideline companies is by understanding the principal business of the Target Group and search for public companies with businesses as similar with the Target Group as possible. Generally, companies in the same geographical location are preferred, followed by expansion to other geographical locations if same geographic location yield no meaningful results.

The revenue of the Target Group can be classified into two segments, namely the Business-to-Business ("**B2B**") segment and the Business-to-Consumer ("**B2C**") segment, which represent approximately 72% and approximately 28% of the Target Group's revenue for the financial year ended 31 December 2024, respectively.

The B2B segment comprises software-as-a-service ("**SaaS**") and B2B business model with integration of hardware and software for enterprise clients in the entertainment field (i.e. integration of hardware and the VSING self-developed software system (collectively referred as he "**VSING System**") for karaoke operators) as venue transformation solutions. The technology and software offered by the Target Group are with AI-powered features (e.g. vocal enhancer, social assistant, VR concert experiences, etc.) for immersive audio-visual experience. Upfront franchise fee and monthly fee for technical support, maintenance and management would be charged by the Target Group for the use of the VSING System.

The B2C segment comprises of digital revenue, through mobile application subscriptions, livestream monetization, virtual gifting and marketplace transactions, etc., under the B2C business model. The Target Group provides the VSING mobile applications or on-site systems to end consumers for real-time interaction, live streaming, sending digital gifts and tipping to karaoke singers and other users of the VSING System and participating in games at the social entertainment venues.

The Independent Valuer searched for listed companies with business scopes and operations similar to those of the Target Group as comparable companies on best-effort basis with reference to the following selection criteria for each segment of the Target Group respectively:

B2B Segment

- The companies are principally engaged in the SaaS business and providing hardware and software integration B2B services to enterprise clients, in which the technology and software provided are applied in the entertainment field for venue transformation with interactive and immersive experience, which are close to the Target Group's B2B segment;

- The companies are primarily operating in developed countries or regions;

- The companies have pertinent operating histories and are listed on stock exchanges as of the Valuation Date;

- The companies have positive enterprise value and positive EBITDA based on the latest available financial statements as of the Valuation Date; and

- The financial information and relevant multiple of the companies are available to the public.

B2C Segment

- The companies are principally engaged in digital monetization in social entertainment platform, through mobile application subscriptions, live streaming, virtual/digital gifting and tipping, and marketplace transactions, which is close to the Target Group's B2C segment;

- The companies are primarily operating in Asia;

- The companies have pertinent operating histories and are listed on stock exchanges as of the Valuation Date;

- The companies have positive enterprise value and positive EBITDA based on the latest available financial statements as of the Valuation Date; and

- The financial information and relevant multiple of the companies are available to the public.

Based on the Independent Valuer's thorough and best-effort search of the comparable companies using the Bloomberg terminal, they are unaware of any listed companies operating in Hong Kong that met the principal business criteria for the two segments of the Target Group. Considering a reasonable sample size of comparable companies and availability of market data for this valuation, they have deployed selection criteria which covers broader geographical areas of operation.

For the B2C segment, the Independent Valuer identified four comparable companies primarily operating in Asia. However, for the B2B segment, there are only three limited samples of comparable companies primarily operating in Asia. Consequently, the Independent Valuer further extended their search to include comparable companies from developed countries and regions worldwide for the B2B segment.

Furthermore, as mentioned in the business development plan of the Target Group, it plans to expand the business of VSing to South Korea, USA, Canada, Singapore and some other Asian countries in the next two years. Therefore, it is not unreasonable and not unfair to consider any other comparable companies in the Target Group's territorial expansion geographical areas, given the scarce number of comparable companies operating in Hong Kong and the necessity to closely match the niche business models of each segment of the Target Group. Hence, the Independent Valuer considers the selection criteria on geographical locations are representative and reasonable for the valuation of the Target Group.

As advised by the Independent Valuer, (1) there is no apparent direct relationship observed between the valuation multiples, including but not limited to the EV/EBITDA multiple, and the length of operating history, profitability or market capitalisation respectively of the comparable companies; and (2) there is also a potential risk that any additional selection criteria/cut-off points or adjustments to be applied, in terms of the length of operating history, profitability or size of market capitalisation, might be subjective, causing a biased or misleading result. Hence, those factors regarding the length of operating history, profitability or size of market capitalisation of the comparable companies were not considered in the Independent Valuer's selection criteria.

The Independent Valuer is not aware of any other comparable companies satisfying the selection criteria but not selected in the Valuation. Hence, the comparable companies adopted are considered exhaustive based on the best-effort research analysis of the Independent Valuer.

According to the Independent Valuer, the following table presents the business descriptions and key financial figures of the comparable companies adopted in the valuation of 100% equity interest in the Target Group:

B2B Segment

Comparable Companies	Business Descriptions
GOLFZON Co Ltd (215000 KS Equity)	GOLFZON Co., Ltd manufactures and sells screen golf simulators. The company develops software application as well as the hardware used in these screen golf simulators. It offers integrated hardware and software solutions for indoor golf venues, including simulators with advanced 3D graphics, swing analysis, and networked multiplayer features. GOLFZON targets commercial venues (e.g., entertainment centres, clubhouses, casinos) and home users, enabling venue transformation with immersive experiences. The business model includes hardware sales combined with software services and content subscriptions.
Brogent Technologies Inc (5263 TT Equity)	Brogent Technologies Inc. provides software development services. The company offers software-based solutions including user interfaces, and multimedia applications for Internet, telecommunication, consumer electronics and entertainment applications. Brogent develops and implements multimedia into devices such as smart phones, digital cameras, and digital music players. Brogent Technologies Inc is specializing in the development and integration of hardware and software solutions for amusement and entertainment venues (B2B). It provides interactive attractions, VR/AR systems, and immersive entertainment technologies, e.g. flying theatres, motion simulators, VR dark rides. Brogent offers turnkey solutions including system design, installation, and maintenance for theme parks, museums, and commercial entertainment venues.

Comparable Companies	Business Descriptions
IMAX Corp (IMAX US Equity)	IMAX Corporation offers end-to-end cinematic solution combining proprietary software, theater architecture, and equipment. The company designs and manufactures premium theater systems and digitally re-masters films into the IMAX format and the exhibition of those films in the IMAX theater network. It is a global entertainment technology company that designs and licenses proprietary cinema projection systems, immersive sound systems, and content remastering technology. It provides hardware and software integration services to theatres worldwide, enhancing the audiovisual experience through large-format, immersive cinema technology. IMAX offers technology licensing, system installation, and ongoing support, as well as digital content distribution and maintenance services.
D-BOX Technologies Inc (DBO CN Equity)	D-Box Technologies Inc. designs, manufactures and markets motion systems intended mainly for the entertainment and industrial simulation industries including cinema chains, gaming companies, and simulation providers, etc. The company's patented technology uses motion effects specifically programmed for each visual content which are sent to a motion system integrated into either a platform or a seat including cinema chains, gaming companies, and simulation providers, etc. It designs and licenses hardware and software that synchronize motion seats with audiovisual content to enhance immersion in cinemas, gaming, and simulation environments. D-BOX provides B2B solutions including system integration, content synchronization software, and maintenance services.
Dolby Laboratories Inc (DLB US Equity)	Dolby Laboratories Inc develops audio, imaging, and voice technologies for entertainment, communication, and enterprise markets. It licenses its proprietary technologies and software platforms to device manufacturers, content creators, and venues. Dolby provides software and hardware solutions for immersive sound and visual experiences. Its revenue mainly comes from licensing fees for software and technology IP, including Dolby Atmos and Dolby Vision, for cinemas, home entertainment, and mobile devices.

Comparable Companies	Business Descriptions
Barco N.V. (BAR BB Equity)	Barco is a global technology company specializing in professional visualization and collaboration B2B solutions. Through an integrated portfolio of hardware, software, and managed services, Barco delivers immersive experiences for enterprise clients across entertainment, enterprise and healthcare sectors. In the entertainment sector, Barco enables venue transformation through projection systems, LED displays, and cloud-based control platforms that support interactive and immersive experiences. Barco has been evolving from a hardware-centric company to a solutions partner, investing in cloud-based services, IoT-enabled device management, and integrated software platforms, and management suites for audio-visual and immersive systems. These offerings support remote monitoring, collaboration, and immersive content delivery, especially in high-end venues like cinemas, themed entertainment (such as museums and theme parks), and live event spaces.
GENDA Inc. (9166 JP Equity)	GENDA is a Japan-based company principally engaged in the entertainment platform business, focused on the development and modernization of amusement venues such as arcades, karaoke centres, and interactive entertainment spaces. Through strategic merger and acquisition and operational innovation, GENDA transforms physical entertainment venues by integrating digital content, immersive experiences, and customer engagement technologies. It invests in technology-driven upgrades and interactive experiences within its own venues, and leverages in-house engineering and digital tools to enhance venue operations and user experiences. GENDA engages in B2B relationships in the form of amusement machine leasing to other operators, online crane games, character licensing and IP collaborations with entertainment brands. Through its subsidiary, the group also is engaged in the planning, production, and sales and rental of various "interactive contents" based on visual images, such as interactive theatre attractions, VR attractions, and interactive games, mainly in the location entertainment business, and it has excellent technological capabilities in handling MX4D® programs for Japanese films released in Japan.

Source: Bloomberg

B2C Segment

Comparable Companies	Business Descriptions
Newborn Town Inc (9911 HK Equity)	Newborn Town Inc. is a global social entertainment company focused on pan-audience social networking and niche game-related innovative businesses. It operates multiple social media and entertainment apps, leveraging AI technology to enhance user experience and expand its market reach. The company also engages in social e-commerce and gaming. Its major revenue came from its social networking business, which includes revenues from mobile app subscriptions, livestreaming, virtual gifting, and other social entertainment monetization.
SOOP Co Ltd (067160 KS Equity)	SOOP Co Ltd, formerly AfreecaTV Co., Ltd., operates AfreecaTV – a major live streaming platform in South Korea. It is primarily engaged in developing and operating social entertainment platforms, and supports real-time live streaming, e-sports broadcasting, and monetization through virtual gifts, subscriptions, and advertising. It monetizes social interactions and content through digital means.
Inkeverse Group Ltd (3700 HK Equity)	Inkeverse Group Ltd specializes in social entertainment platforms, particularly mobile live streaming and social networking apps. It provides interactive entertainment services including live video streaming and digital social interactions. It focuses on growing its user base and monetizing social engagement through digital platforms.
Scienjoy Holding Corp (SJ US Equity)	Scienjoy Holding Corp operates social entertainment platforms that focus on mobile live streaming, social networking, and interactive entertainment content. It offers services that enable users to engage in live video broadcasts, virtual gifting, and social interactions. It also operates marketplace transactions within its platforms to enhance user engagement and monetization.

Source: Bloomberg

B2B Segment

Comparable Companies	Reporting Currency ("RC")	Listing Date	As of the Valuation Date			
			Market Capitalization	Total Asset	LTM Revenue	LTM Net Profit
			HKD million	*RC million*	*RC million*	*RC million*
GOLFZON Co Ltd (215000 KS Equity)	KRW	3 April 2015	2,163	665,499	619,981	49,807
Brogent Technologies Inc (5263 TT Equity)	TWD	18 December 2012	2,425	5,449	1,392	73
IMAX Corp (IMAX US Equity)	USD	9 June 1994	10,476	830	352	26
D-BOX Technologies Inc (DBO CN Equity)	CAD	14 February 2000	167	28	44	4
Dolby Laboratories Inc (DLB US Equity)	USD	16 February 2005	58,003	3,159	1,315	263
Barco N.V. (BAR BB Equity)	EUR	Jul 1, 2020	7,828	1,229	947	63
GENDA Inc. (9166 JP Equity)	JPY	Jul 28, 2023	9,721	106,487	94,516	3,509

Source: Bloomberg

Note: LTM denotes latest twelve (12)-month

All the above seven companies are principally engaged in providing integrated hardware and software solutions to enterprise clients (i.e. B2B model) in the entertainment field, focusing on venue transformation for immersive experience. They combine SaaS elements (software platforms and content services) with hardware sales and integration services. Hence, the Independent Valuer is of the view that they are fair and comparable to the B2B segment of the Target Group.

B2C Segment

Comparable Companies	Reporting Currency ("RC")	Listing Date	As of the Valuation Date Market Capitalization	Total Asset	LTM Revenue	LTM Net Profit
			HKD million	*RC million*	*RC million*	*RC million*
Newborn Town Inc (9911 HK Equity)	HKD	31 December 2019	5,249	3,813	5,518	521
SOOP Co Ltd (067160 KS Equity)	KRW	19 December 2003	5,507	715,725	413,178	101,212
Inkeverse Group Ltd (3700 HK Equity)	HKD	12 July 2018	4,437	5,930	7,425	195
Scienjoy Holding Corp (SJ US Equity)	USD	5 February 2019	332	193	189	6

Source: Bloomberg

Note: LTM denotes latest twelve (12)-month

All the above four companies are principally engaged in digital monetization on social entertainment platforms, leveraging mobile application subscriptions, livestreaming, virtual/digital gifting, tipping, and marketplace transactions as their core revenue drivers (i.e. B2C model). Hence, the Independent Valuer is of the view that they are fair and comparable to the B2C segment of the Target Group.

The Board has considered the selection criteria and assessed the appropriateness of the comparable companies selected. Based on the information available, the Independent Valuer has researched and studied companies listed on different stock exchanges, which are in principle engaged in the same business segments of the Target Group. The Board having considered, as advised by the Independent Valuer, (i) the limitations to a more stringent selection criteria for comparable companies; (ii) the lack of direct relationship between the valuation multiple and the more stringent selection criteria such as operating history, profitability or market capitalisation of the comparable companies; and (iii) the similarity in the core business segments of the business of the Target Group and the businesses of the comparable companies, the Board considers the comparable companies chosen based on the selection criteria to be fair and reasonable.

According to the Independent Valuer, below are the EV/EBITDA multiples of the comparable companies as of the Valuation Date as extracted from Bloomberg to estimate the market value of the Target Group. No adjustments were made for differences between the Target Group and the comparable companies:

B2B Segment

Comparable Companies	**EV/EBITDA Multiple**
GOLFZON Co Ltd (215000 KS Equity)	2.38x
Brogent Technologies Inc (5263 TT Equity)	*(outlier)* 55.62x
IMAX Corp (IMAX US Equity)	14.31x
D-BOX Technologies Inc (DBO CN Equity)	4.65x
Dolby Laboratories Inc (DLB US Equity)	19.00x
Barco N.V. (BAR BB Equity)	6.51 x
GENDA Inc. (9166 JP Equity)	19.19 x
Average excluding outlier(s)	**11.01 x**

Source: Bloomberg and latest annual report or financial statements of the comparable companies

B2C Segment

Comparable Companies	**EV/EBITDA Multiple**
Newborn Town Inc (9911 HK Equity)	3.39x
SOOP Co Ltd (067160 KS Equity)	4.33x
Inkeverse Group Ltd (3700 HK Equity)	4.34x
Scienjoy Holding Corp (SJ US Equity)	1.06x
Average	3.28x

Source: Bloomberg and latest annual report or financial statements of the comparable companies

Note: Multiple value that lies beyond ± two standard deviations from the mean of the data set are deemed as an outlier.

The revenue of the Target Group for the year ended 31 December 2024 was approximately 72% from the B2B segment and approximately 28% from the B2C segment. The Independent Valuer estimated the weighted average EV/EBITDA multiple by applying these revenue proportions to the respective average excluding outlier(s) (if any) EV/EBITDA multiples of each segment. Then the Independent Valuer multiplied the weighted average EV/EBITDA multiple of the comparable companies as of the Valuation Date to the latest 12-month EBITDA of the Target Group to arrive at the enterprise value of the Target Group. The latest 12-month EBITDA was based on the consolidated financial statements of the Target Group for the year ended 31 December 2024, excluding any non-recurring other income/(losses). The Independent Valuer then adjusted the derived enterprise value of the Target Group with net cash/(debt) and non-operating assets/(liabilities) to arrive at the equity value of the Target Group. Furthermore, the Independent Valuer adjusted the derived equity value of the Target Group with discount for lack of marketability and control premium to account for the fact that the Target Group is a private group as of the Valuation Date and the subject equity interest is on controlling basis.

The Valuation Calculation

As disclosed in the Valuation Report, the calculation of the market value of 100% equity interest of the Target Group as of the Valuation Date is as follows:

As of December 31, 2024

	HK$
Latest 12-month EBITDA	6,251,377
Multiply: Weighted Average Market Multiple as of the Valuation Date	8.84x
Enterprise Value	**55,280,520**
Add: Cash	2,210,320
Less: Debts	(9,568,895)
Add/Less: Non-Operating Assets/(Liabilities)	3,241,077
Equity Value (marketable and minority basis)	**51,163,022**
Add: Control Premium	16,679,145
Less: DLOM	(10,437,257)
Market Value of 100% Equity Interest in the Target Group	**57,404,911**
Market Value of 100% Equity Interest in the Target Group (Rounded)	**57,400,000**

Note: The total may not sum up or vary due to rounding.

Principal Assumptions

As disclosed in the Valuation Report, the principal assumptions adopted for the purpose of the Valuation are as follows:

(a) There will be no major changes in the current taxation laws in the territories (the "**Territories**") in which the Target Group operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;

(b) There will be no major changes in the political, legal, economic or financial conditions in the Territories in which the Target Group operates or intends to operate, which would adversely affect the revenues attributable to and the profitability of the Target Group;

(c) The Target Group will retain and have competent management, key personnel, and technical staff to support its ongoing operation;

(d) All relevant legal approvals and business certificates or licenses to operate the business in the localities in which the Target Group operates or intends to operate has or would be officially obtained and renewable upon expiry;

(e) Industry trends and the market conditions for related industries will not deviate significantly from economic forecasts; and

(f) All information and representations provided are true, accurate and complete in all material respect.

Key Limiting Conditions

According to the Independent Valuer, the Valuation is subject to the following key limiting conditions:

(a) Information furnished by others or taken from the Group's reports and records, standard reference manuals, publications and other sources, upon which all or portions of this report are based, is believed to be reliable, but has not been verified in all cases. No warranty is given as to the accuracy of such information. The Independent Valuer does not accept any responsibilities for any errors or omissions in the information or any consequence liabilities arising from commercial decision or actions resulting from them.

(b) The Valuation is valid only for the Valuation Date. The value opinion is based on the purchasing power of the reporting currency as of this date. The opinion of value is estimated based on the financial conditions prevailing as of the date of this appraisal.

(c) It is assumed that all required licenses, certificates, or other legislative or administrative authority from any local, or national government or private entity or organization have been, or can readily be obtained, or renewed for any use on which the value estimates provided in the Valuation Report are based.

(d) The Independent Valuer has made no investigation of and assumed no responsibility for the ownership or any liabilities against the Target Group. Responsible ownership and competent management are assumed.

(e) The Valuation is only any an indicative quantum at which interests in the Target Group might be reasonably be expected to be sold or disposed at the Valuation Date and may be different from the actual transacted price.

(f) Neither the Independent Valuer nor any individual signing or associated with this report has any present or prospective interest in the Target Group and with respect to the parties involved. The Independent Valuer or any individual signing or associated with the Valuation Report has no bias with respect to the Target Group or to the parties involved with this assignment. The engagement in this assignment was not contingent upon developing or reporting predetermined results. The compensation of the Independent Valuer or any individual signing or associated with this report for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the Group, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the Valuation.

The View of the Board

Having considered (i) the qualifications of the Independent Valuer of which the signors of the Valuation Report, Ms. Winnie Lam, the managing director of the Independent Valuer and Mr. Kevin Kwong, the associate director of the Independent Valuer, are both charter holder of Chartered Financial Analyst (CFA) and Mr. Kwong being a Chartered Valuer and Appraiser, Singapore (CVA) and Financial Risk Manager (FRM) as well; (ii) the experience of Ms. Lam and Mr. Kwong who have more than 10 years of experience in the valuation of business; and (iii) the independence of the Independent Valuer which, to the best of the knowledge of the Directors, is an Independent Third Party, the Board is of the view that the Independent Valuer is qualified, experienced and competent in performing valuation and providing opinion in respect of the valuation of the Target Group.

In consideration of the Board's view on the valuation approach, the use of the EV/EBITDA multiple, the selection criteria of comparable companies, the lack of apparent direct relationship observed between the valuation multiples, including but not limited to the EV/EBITDA multiple, and the length of operating history, profitability or market capitalisation respectively of the comparable companies as advised by the Independent Valuer and the common adoption of the major assumptions and parameters as advised by the Independent Valuer, the Board is of the view that the Valuation is fair and reasonable.

PROFIT GUARANTEE

Pursuant to the Sale and Purchase Agreement, the Vendors jointly and severally guarantee to the Company that the Net Profit After Tax during the Profit Guaranteed Period shall not be less than HK$7,800,000.

In the event that the Net Profit After Tax as shown in the FY2025 Audited Financial Statements is less than the Guaranteed Profit or if the Target Group incurs an audited net loss after tax in the FY2025 Audited Financial Statements, the Company shall have the right, within ten (10) Business Days upon issuance of the FY2025 Audited Financial Statements, to claim the Guaranteed Profit Compensation from the Vendors by issuing a Notice of Claim together with the Auditor Certificate. The Guaranteed Profit Compensation is to be calculated in accordance with the following formula:

$$\text{Guaranteed Profit Compensation} = \frac{(\text{Guaranteed Profit} - \text{Net Profit After Tax})}{\text{Guaranteed Profit}} \times \text{Consideration}$$

Upon receiving the Notice of Claim from the Company, the Vendors may, at their discretion, elect to pay the Guaranteed Profit Compensation by (i) payment in cash to the Company within ten (10) Business Days of receiving the Notice of Claim; or (ii) by serving the Buy Back Notice on the Company, within ten (10) Business Days of the Vendors receiving the Notice of Claim, to require the Company to repurchase such number of Consideration Shares (rounded to the nearest integer) at nil consideration. The number of buy back shares shall be calculated in accordance with the following formula:

$$\text{Number of Buy Back Shares} = \frac{(\text{Guaranteed Profit} - \text{Net Profit After Tax})}{\text{Guaranteed Profit}} \times \text{No. of Consideration Shares}$$

In the event that the Vendors elect to settle the Guaranteed Profit Compensation by way of Company's share buyback:

(a) the Company shall instruct and the Vendors shall jointly instruct or procure to instruct the Escrow Agent to forthwith release and deliver such number of Escrowed Consideration Shares to the Company to effect the buyback and the remaining Escrowed Consideration Shares (if any) to be released and delivered to the Vendors forthwith;

(b) if the Escrowed Consideration Shares are insufficient to settle the Guaranteed Profit Compensation in full, the Vendors shall jointly and severally deliver or procure the delivery of such number of Consideration Shares necessary to settle the remaining Guaranteed Profit Compensation to the Company forthwith upon service of the Buy Back Notice on the Company.

The terms of the Profit Guarantee (including the amount of the Guaranteed Profits) were determined after arm's length negotiation between the Company and the Vendors after taking into account (i) the past financial performance of the Target Group, in particular the Target Group recorded profit after tax of approximately HK$5,807,000 in its unaudited consolidated management accounts for the year ended 31 December 2024; (ii) the positive outlook in the digital entertainment markets; (iii) the business development plan of the Target Group, details of which are set out in the section headed "Business Development Plan of the Target Group" below; and (iv) the experience and knowledge of Mr. Ngu Sing King ("**Mr. Ngu**") and Mr. Le Yong Chin ("**Mr. Le**"), the co-founders of the Target Group, in the digital entertainment market and their established business network in the industries. As such, the Board believes that the Profit Guarantee is achievable and the terms thereof are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

In the event that the Vendors elect to settle the Guaranteed Profit Compensation by way of Company's share buyback and the Vendors failed to jointly and severally deliver or procure the delivery of such number of Consideration Shares necessary to settle the Guaranteed Profit Compensation payable in full, the Vendors may elect to settle the payable Guaranteed Profit Compensation by cash to fulfill its contractual obligations towards the Company. As a last resort, in the event that the Vendors do not fulfill the Guaranteed Profit Compensation in full, the Company may take such legal action as necessary against the Vendors to recover such outstanding Guaranteed Profit Compensation payable. In any event, for the reasons set out in the preceding paragraph, the Board believes that the Profit Guarantee is achievable and the Guarantee Profit Compensation may not be triggered at all.

In the event that the Net Profit After Tax is not less than the Guaranteed Profit, the Company shall instruct and the Vendors shall instruct or procure to instruct the Escrow Agent to release the Escrowed Consideration Shares to the Vendors within ten (10) Business Days upon receipt of the Auditor Certificate.

The Company intends to repurchase the Escrowed Consideration Shares for cancellation in the event that the Vendors elect to settle the Guaranteed Profit Compensation by way of Company's share buyback. The repurchase mechanism under the Profit Guarantee falls within the definition of "exempt share buy-back" under the Share Buy-backs Code and shall not constitute an off-market share buy-back given that the repurchase of the Escrowed Consideration Shares by the Company will be conducted in accordance with the terms of the Sale and Purchase Agreement, such that prior consent from the Vendors or its nominees for such repurchase by the Company will not be required.

For the avoidance of doubt, in the event that the Target Group records an audited net loss after tax in the FY2025 Audited Financial Statements, the Net Profit After Tax shall be deemed as zero. The Company and the Vendors shall procure the Auditor to prepare the FY2025 Audited Financial Statements within 3 months from the end of the Profit Guarantee Period and the Auditor shall issue an Auditor Certificate in relation to the Net Profit After Tax. The total liability of the Vendors under the Profit Guarantee shall not exceed the Consideration or the number of the Consideration Shares to be issued and allotted by the Company at Completion (as the case may be).

ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE

Subject to the provisions as set out in the paragraph headed "Profit Guarantee" above and the Increase in Authorised Share Capital to be approved by the Shareholders at the EGM, the Company shall allot and issue an aggregate of 318,000,000 Consideration Shares to the Vendors (and/or their respective nominee(s)) to satisfy the Consideration on Completion.

The Issue Price of approximately HK$0.157 per Consideration Share represents:

(a) a discount of approximately 19.9% over the closing price of HK$0.196 per Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement;

(b) a discount of approximately 17.4% to the average of the closing price of approximately HK$0.190 per Share as quoted on the Stock Exchange for the five trading days immediately prior to the date of the Sale and Purchase Agreement;

(c) a discount of approximately 12.8% to the average of the closing price of approximately HK$0.180 per Share as quoted on the Stock Exchange for the ten trading days immediately prior to the date of the Sale and Purchase Agreement;

(d) a premium of approximately 18.9% to the average of the closing price of HK$0.132 per Share as quoted on the Stock Exchange for the thirty trading days immediately prior to the date of the Sale and Purchase Agreement;

(e) a premium of approximately 48.1% to the average of the closing price of HK$0.106 per Share as quoted on the Stock Exchange for the sixty trading days immediately prior to the date of the Sale and Purchase Agreement;

(f) a premium of approximately 70.9% to the closing price of HK$0.54 per Share as quoted on the Stock Exchange as at the Latest Practicable Date; and

(g) a premium of approximately 130.9% to the net assets of the Company of approximately HK$0.068 per Share based on (a) the unaudited net assets attributable to owners of the Company of approximately RM29,547,000 (equivalent to approximately HK$54,840,709 based on the applicable exchange rate as at the Latest Practicable Date); and (b) 760,320,000 issued Shares as at the Latest Practicable Date.

The Issue Price was negotiated on an arm's length basis between the Company and the Vendors and determined with reference to (i) the prevailing market prices of the Shares; (ii) the average closing price of the Shares in the five, ten, thirty trading days and sixty trading days immediately prior to the date of entering into the Sale and Purchase Agreement; (iii) the placing price per Share for the placing of shares recently completed in February 2025; (iv) the recent financial performance of the Company; and (v) the reasons and benefit of the Acquisition as set out in the section headed "Reasons for and Benefit of the Acquisition" below.

Reference was made to the market prices of the Shares traded on the Stock Exchange since 2 January 2025 up to and including the date of the Sale and Purchase Agreement (the "**Reference Period**") as a reference to reflect the prevailing market price of the Shares. The market price of the Shares has been showing a fluctuating upward trend throughout the Reference Period. From the commencement of the Reference Period up to the end of the Reference Period, the Shares were traded on the Stock Exchange with a closing price of HK$0.063 to HK$0.20 respectively, an increase of approximately 68.5%.

The Company and the Vendors referred to the average closing market prices of the Shares in the five, ten, thirty and sixty trading days as quoted on the Stock Exchange immediately prior to the date of entering into the Sale and Purchase Agreement, which were HK$0.190, HK$0.180, HK$0.132 and HK$0.106 respectively. Whilst the Issue Price represents a discount of approximately 17.4% and 12.8% to the average of the closing prices per Share for the five and ten trading days as quoted on the Stock Exchange immediately prior to the date of the Sale and Purchase Agreement, it represents a premium of approximately 18.9% and approximately 48.1% for the thirty trading days and sixty trading days as quoted on the Stock Exchange immediately prior to the date of the Sale and Purchase Agreement.

Reference was also made to the placing price per Share of HK$0.1 for the placing of shares recently completed in February 2025. The Issue Price represents a premium of approximately 36.3% to the placing price per Share.

The unaudited financial performance of the Company for the six months ended 30 June 2024 immediately prior to the entering into of the Sale and Purchase Agreement was also considered. For the six months ended 30 June 2024, the Company recorded losses of approximately RM6,588,000 (equivalent to approximately HK$12,227,657 based on the applicable exchange rate as at the Latest Practicable Date) and loss per share of RM1.01 sen (equivalent to a loss per share of approximately HK$0.02 based on the applicable exchange rate as at the Latest Practicable Date). For the financial year ended 31 December 2024, the Company recorded losses of approximately RM7,476,000 (equivalent to approximately HK$13,875,829 based on the applicable exchange rate as at the Latest Practicable Date) and loss per share of RM0.98 sen (equivalent to a loss per share of approximately HK$0.02 based on the applicable exchange rate as at the Latest Practicable Date). The Issue Price also represents a premium of approximately 74% to the net assets per Share of the Company of approximately RM5 sen (equivalent to approximately HK$0.09 per Share as at the Latest Practicable Date) for the six months ended 30 June 2024.

In view of the prevailing market price of the Shares, the average closing market prices of the Shares, the recent financial performance of the Company and the reasons and benefit of the Acquisition as set out in the section headed "Reasons for and Benefit of the Acquisition" below, the Directors consider that the Issue Price, which represented a discount to the then market prices of the Shares at the time of entering into the Sale and Purchase Agreement and a premium to the average market prices of the Shares as quoted on the Stock Exchange for the thirty and sixty trading days immediately prior to the date of the Sale and Purchase Agreement, is fair and reasonable and is the interest of the Company and the Shareholders as a whole.

The 318,000,000 Consideration Shares represents (i) approximately 41.8% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 29.5% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares. The aggregate nominal value of the Consideration Shares is HK$31,800,000.

The Consideration Shares are to be issued by the Company under Specific Mandate to be sought from the Shareholders at the EGM. The Consideration Shares, when allotted and issued, will rank *pari passu* in all respects with all the Shares then in issue.

As at 30 June 2024 and 31 December 2024, the Group had cash and bank balances of approximately RM13,768,000 and RM7,433,000 (equivalent to approximately HK$25,554,096 and HK$13,796,019 based on the applicable exchange rate as at the Latest Practicable Date). The Directors have taken into account that, if the Consideration is paid in cash in part, this may potentially exert pressure on the Group's liquidity in its operations in the coming year. The Directors have explored financing alternatives such as debt financing and other means of equity fund raising, including the issue of new shares. The Company's financial loss position presented practical obstacles in obtaining loan financing. As disclosed in the annual report of the Company for the year ended 31 December 2024, the loss of the Company for the year was approximately RM7,476,000 (equivalent to approximately HK$13,875,829 based on the applicable exchange rate as at the Latest Practicable Date). Whilst the Company attempted to obtain loan financing from financial institutions, it generally found it difficult to do so given the prevailing negative economic sentiment with the tightening of credit among financial institutions. Those that were open to loan to the Company offered unfavourable terms such as requiring corporate guarantee from the Company and security over the assets of the Company.

With consideration of the loss position of the Company in recent years, the Company would be subject to unfavourable interest rates and financing terms in relation to debt financing, resulting in interest burden and potentially increase the Group's finance costs. The Group may also be subject to other restrictive covenants imposed by the financial institutions on debt financing. The Group will also need to arrange financial resources to repay the loan debt in the future. Debt financing will also affect the gearing ratio of the Company. Considering (i) the possibility of lengthy negotiations with financial institutions over the terms of any debt financing which is estimated to take up to around 3 months; (ii) the issue of Consideration Shares which can be negotiated as part of the Acquisition and can generally be completed within 2 weeks following approval from Shareholders in EGM; and (iii) unfavourable conditions imposed by financial institutions for debt financing, the Directors believed that debt financing would not be the preferred option to the Company and its Shareholders as a whole.

As for equity fund raising, the Company completed a placing of new Shares in the current financial year and the general mandate to issue new Shares granted to the Directors has been fully utilized and specific mandate will be required if the Company proceeds with any equity financing. The Company has considered other forms of equity financing with pre-emptive rights such as rights issue and open offer and was of the view that completion of these corporate exercises may take around 6 months which is considerably longer than the issuance and allotment of Consideration Shares which generally take up to around 2 weeks following approval from Shareholders in EGM. The Company will be required to engage more professional parties for the other forms of equity financing with pre-emptive rights, such as placing agent, independent financial adviser and legal advisors. The professional fees involved may be up to around HK$1 million, whilst there is no assurance that, if the Company proceeds with equity financing again after the recent placings of new Shares, it will be able to secure sufficient number of investors within a short period or at all, or on terms acceptable to the Company. With consideration that it would be favourable for the Company to realise and capitalize from the business opportunities of the Acquisition as soon as preferable, the Directors believe that any mismatch between the prolonged timing of the Acquisition and any alternative equity fundraising would force the Company to forgo investment opportunities in high-valued projects and miss the development opportunities presented by the Acquisition, which would not be in the long-term interests of the Company and its Shareholders as a whole.

As illustrated in the table set out in the section headed "Effect of the Shareholding Structure of the Company" below, V Sing Holdings and Silver Hero and/or their nominees will hold approximately 27.37% and approximately 2.12% of Shares immediately after the allotment and issue of the Consideration Shares. The shareholding of the existing public Shareholders as at the Latest Practicable Date was approximately 75.23% and will be diluted to approximately 53.04% immediately after the allotment and issue of the Consideration Shares. In this regard, in view of (i) the reasons for and benefits of the Acquisition as mentioned in the section headed "Reasons for and Benefits of the Transaction" below; (ii) the terms of the Sale and Purchase Agreement being fair and reasonable; (iii) the Profit Guarantee; (iv) the Acquisition would enhance the overall financial profitability of the Group having regard to the historical financial performance of the Target Company, details of which are set out in the section headed "Financial Information of the Target Group" below; and (v) the allotment and issuance of the Consideration Shares would not create any cashflow burden on the Company, the Directors consider that the dilution to the shareholding of the public Shareholders resulting from the allotment and issuance of Consideration Shares is fair and reasonable.

An application will be made to the Stock Exchange by the Company for the listing of, and permission to deal in, the Consideration Shares. The issue of Consideration Shares is subject to the Shareholders' approval and the approval granted by the Stock Exchange for the listing of, and permission to deal in the Consideration Shares.

CONDITIONS PRECEDENT

Completion shall be subject to the following conditions having been fulfilled or waived (as the case may be):

(a) all necessary consents, licences and approvals required to be obtained on the part of the Vendors and the Company in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;

(b) the passing by the Shareholders, at the EGM to be convened and held in accordance with the requirements of the GEM Listing Rules, of such resolutions to approve the Sale and Purchase Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Consideration Shares) having been obtained;

(c) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consideration Shares;

(d) the warranties provided by the Vendors and the Company remaining true and accurate and not misleading in all material respects from the signing of the Sale and Purchase Agreement until Completion Date; and

(e) there being no event that has caused or may cause any Material Adverse Change on the Target Group from the signing of the Sale and Purchase Agreement until Completion Date.

The Company may at its absolute discretion at any time waive in writing any of the conditions precedent as set out in (a) (in respect of the Vendors), (d) and (e) above. The Vendors may at its absolute discretion at any time waive in writing any of the conditions precedent as set out in (a) and (d) (both in respect of the Company) above. All other conditions precedent are incapable of being waived by any parties to the Sale and Purchase Agreement. As at the Latest Practicable Date, the condition precedent set out in (a) have been fulfilled in respect of the Vendors only and none of the other conditions set out above had been fulfilled. The Company has no intention to waive conditions precedent set out in (a) (in respect of the Vendors), (d) and (e) above.

If the above conditions have not been satisfied (or as the case may be, waived) at or before 4:00 p.m. on the Extended Long Stop Date, the Sale and Purchase Agreement shall cease and terminate, and thereafter none of the parties to the Sale and Purchase Agreement shall have any obligations and liabilities thereunder save for any antecedent breaches of the terms thereof.

COMPLETION

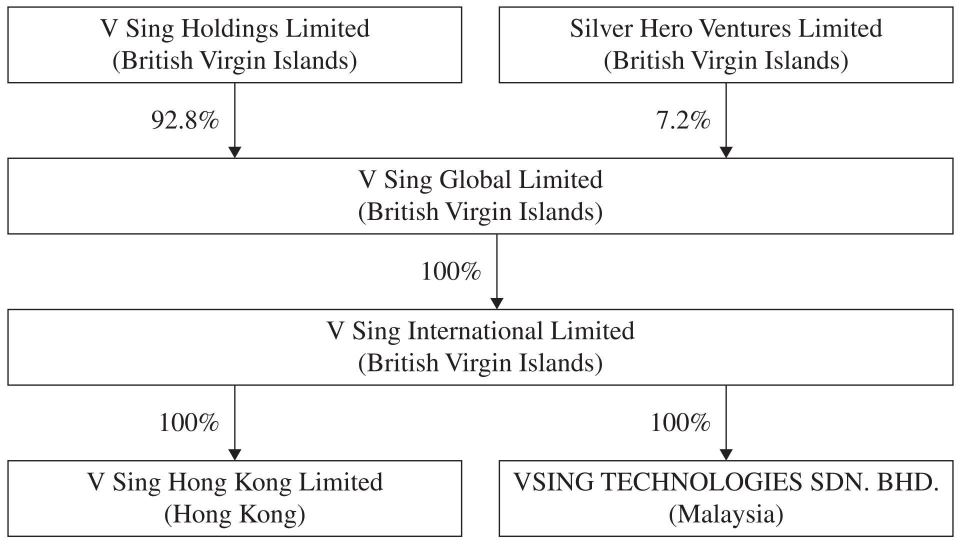
Completion shall take place within five (5) Business Days after the fulfillment (or waiver) of all the conditions precedent of the Sale and Purchase Agreement, or such other date as the Company and the Vendors may agree and in any event, by the Extended Long Stop Date.

Upon Completion, the Company will be interested in the entire issued share capital of the Target Company. As such, the Target Company will become a wholly-owned subsidiary of the Company and the financial information of the Target Group will be consolidated into the consolidated financial statements of the Group.

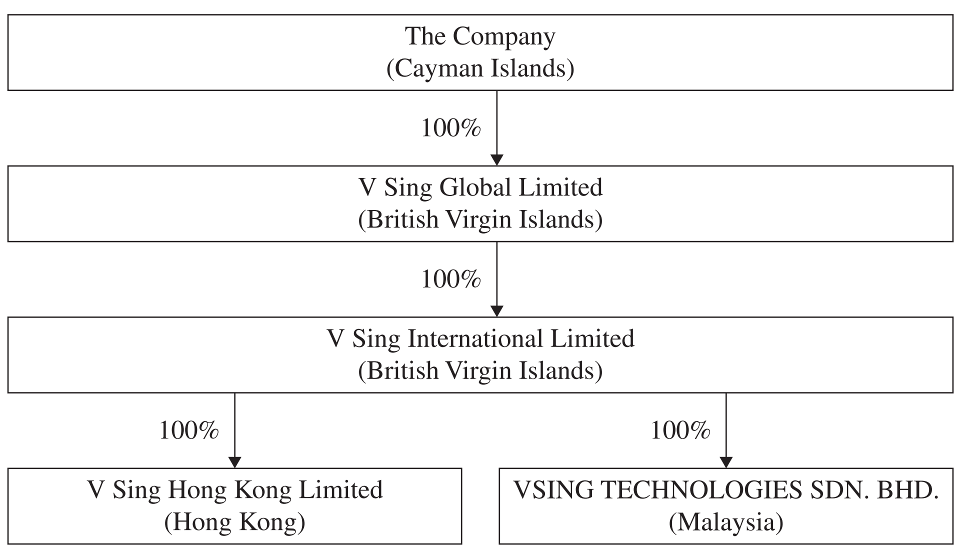
INFORMATION OF THE TARGET GROUP

The following charts show the shareholding structure of the Target Group (a) as at the Latest Practicable Date; and (b) immediately upon Completion.

Shareholding Structure of the Target Group as at the Latest Practicable Date



Shareholding Structure of the Target Group Immediately upon Completion



The Target Company was incorporated in the British Virgin Islands on 12 December 2022 and is principally engaged in investment holding.

Business Model of the Target Group

Through V Sing HK and VSING Technologies, the Target Group is principally engaged in the operation of social entertainment platform known as "VSING" that utilizes modern technologies to enhance the experiences of audiences and karaoke singers/performers in their leisure and entertainment activities. The VSING experience is cultivated through a mix of hardware systems such as LED walls, stage lighting, sound systems, and touch-based controls designed to create a live-stage atmosphere, and the Target Group's self developed software systems that enhances customer experiences and interactions with each other through instilling prominent social media features into the experience such as purchase of digital gifts for performers through the VSING mobile application and acquiring appearance-enhancing digital cosmetics.

The platform is operated by the Target Group in bars infused with modern technological elements and features. Customers transform into performer and sing their chosen recorded music tracks with displayed lyrics on stage with greater leisure and increased interaction with audiences facilitated by the Target Group's self developed software systems.

The revenue model of VSING takes the form of B2B (business-to-business) and B2C (business-to-consumer) and generates revenue from rental/sales to bars and venues and from users who purchase in-app digital gifts, participate in events, and subscribe to premium app features. The VSING System is installed in independent venues that operate as a flagship franchise or through a subscription. Outlets operating under a franchise acquired the right to use the VSING brand, the VSING System and the knowhow, patent and/or IP rights thereto which are owned by the Target Group. The outlets strictly adhere to the branding and service standards of VSING so that customers' experience is maintained across the board and operate as representative flagship venues in their respective locations. In return, the Target Group receives an upfront franchise fee for providing management support to the franchisee outlets and a monthly fee for technical support of the VSING System. The franchise fee is determined based on (i) generally speaking, the 10 months period required by a franchisee outlet to be familiarised with the VSING System and the service standards; and (ii) the management support fees incurred over the period of time, whilst the monthly fee is determined based on the technical support costs on a monthly basis. In a subscription, the outlets operate under their own brand and subscribe to the VSING System for use for a monthly fee payable to the Target Group. The monthly fee is determined based on (i) the deployment fee of the VSING System in the outlet; and (ii) the cost of technical support on a monthly basis.

In Hong Kong, the Target Group operates through franchise and subscription and in elsewhere outside of Hong Kong, VSING operates under a distributorship model whereby a local distributor secures exclusive distribution rights to, amongst other things, the VSING brand, the VSING System and the knowhow, patent and/or IP rights thereto which are owned by the Target Group. The distributee may then engage a local outlet through franchise or subscription. In consideration, the Target Group receives from the distributor distributorship fee, online fee and a monthly fee. The upfront payable distributorship fee is determined based on the server fee and the system localization costs for the VSING System over the term of the distributorship of 60 months. The online fee payable is calculated based on the total amount of credit customers top up through their accounts on the VSING mobile app and lastly, the monthly fee is determined based on the costs of providing technical support and fee for the deployment of the VSING System in the outlet on a subscription basis. The operational models are uniformly structured to ensure scalability, brand consistency, and to bring recurring revenue to the Target Group. In each market, the Target Group provides the self developed system and software solution, whilst the outlets are owned by the franchisee or subscriber.

As at the Latest Practicable Date, the Target Group had 55 customers, with its key customers primarily consisted of regional distribution partners in a distributor model for operations outside of Hong Kong in Thailand, US, Taiwan, Japan and Malaysia. The regional distribution partners are local entertainment companies which play a vital role to the international expansion of the Target Group's business. The distribution partners secures exclusive distribution rights of VSING in their respective markets and the Target Group receives from the distributor a distributorship fee, online fee and a monthly fee in return. Further details on the distributor model and the fees therein are set out above. These key customers collectively demonstrate the scalability and international adoption of the VSING business model across both B2B distribution and enterprise collaboration frameworks.

The Target Group primarily sources new customers – including its key business partners such as distributors and outlet operators – through a multi-channel business development approach. Firstly, the Group operates a dedicated business development team that actively identifies and approaches potential partners through direct outreach, industry networking, and lead generation efforts. These efforts include targeted online research, attending relevant events and initiating structured commercial discussions. Secondly, the Group executes digital marketing campaigns via social media platforms and online advertisements to generate inbound interest. Prospective partners frequently initiate contact through the Group's official website, email address, or other public-facing communication channels. Thirdly, the Group also leverages the networks of its shareholders and management team to attract potential collaborators, many of whom are introduced through trusted industry referrals. Lastly, the Group maintains flagship demonstration outlets in various countries. These venues allow potential partners to experience the VSING System first hand, which often resulting in partnership enquiries following live demonstrations.

The strength of VSING software lies with AI-powered features (vocal enhancer, social assistant, VR concert experiences) which drive personalized engagement and VSING Cloud Core that integrates real-time analytics, automated stage effects, and secure payment gateways. Its strength drives its digital revenue (through app subscriptions, virtual gifting and marketplace transactions), B2B solutions through licensing, livestream monetization and venue transformation services. The VSING platform has nurtured over 100 talents with album launches, hosted global competitions to attract and retain users and formed strategic collaborations with well-known music labels and corporations.

VSING offers a unique blend of tech innovation, scalable growth, and recurring revenue streams in the high-growth social entertainment sector. Its ability to monetize both users and venues, coupled with strategic global expansion, positions it as a compelling opportunity.

As of the Latest Practicable Date, the Target Group is present across 12 countries and 3 continents. In Asia Pacific, there are four outlets in Hong Kong and many others in Malaysia, Singapore, Taiwan, Vietnam, Thailand, Japan and the Philippines. VSING bridges online and offline experiences by empowering talents, enhancing audience engagement, and creating new revenue streams for businesses. Its mission is to cultivate a vibrant ecosystem where talents thrive, audiences engage, and businesses prosper through cutting-edge technology and immersive entertainment.

Business Development Plan of the Target Group

VSING intends to expand globally through direct entry into a market and distributor partnerships. The Target Group's business development plan is expected to be financed by its operating income and working capital, as well as access to the capital markets through the Company. Key expansion initiatives include:

(a) Flagship Market Penetration: Establishing flagship stores in key cities (e.g. Hong Kong and Malaysia) to serve as training hubs and marketing showcases.

(b) Territorial Expansion Targets for 2025 and 2026: Expanding the business of VSing to South Korea, USA, Indonesia, Singapore, Thailand, Canada, and the Philippines.

(c) International Distributor Program: Appointing local distributors with minimum deployment requirements (e.g., 40–100 systems per territory) under rent-to-own or purchase schemes.

(d) Gamification & Ecosystem Development: Through monthly events, avatar-based user experiences, lucky draws, and seasonal promotions to enhance user engagement and retention.

(e) Strategic Partnerships: Collaborations with alcohol brands, Food & Beverage groups, and music labels to drive visibility and monetization.

Permit and Licenses

The Target Group possesses the required permit and licences that are material for carrying out its business operations in Hong Kong and elsewhere as at the Latest Practicable Date.

The licenses and permits that are material to the Target Group's operations are as follows:

1. App Distribution Authorization

The Group maintains verified developer accounts with major mobile app stores. These accounts allow the Group to publish and update its mobile applications globally, subject to content compliance and platform review protocols.

2. Payment Gateway Integration

To facilitate user top-ups and in-app transactions, the Group partners with certified payment gateway providers in each operating region. The Group ensures local entity registration and regulatory compliance in each jurisdiction to enable secure and legally compliant payment integration.

3. Outlet-Level Public Performance Licenses

Outlet operators utilizing the VSING System to host music-related activities are required to obtain public performance licenses from their respective local authorities. This ensures compliance with national regulations related to the broadcast and commercial use of music within physical venues.

4. Commercial Music Licensing

The Group has entered into licensing agreements with major record labels, which authorize the use of their music catalogues – including karaoke content – for commercial activities operated through the VSING System. These licenses permit the Group to offer legal and fully licensed music content to its partnered outlets.

Management Expertise

The management team of the Target Group is led by Mr. Ngu and Mr. Le.

Mr. Ngu is the Chairman and co-founder of VSING and an experienced entrepreneur with over 15 years of leadership in digital entertainment and interactive gaming. He is the co-founder and CEO of VAR LIVE, a multi-sensory virtual reality company, and has served as CEO of several pioneering tech ventures including DARTSLIVE (digital dart games), Golfzon GreenLive (indoor golf simulator network), and PongConnect (interactive pong games). Through these roles, Mr. Ngu has consistently delivered innovation at the intersection of physical venues and digital engagement. At VSING, Mr. Ngu contributes deep expertise in scaling entertainment platforms, leading international expansion, and guiding strategy for immersive user experiences. His broad vision and operational excellence make him a critical pillar in VSING's growth into a global tech entertainment brand.

Mr. Le is the CEO and co-founder of VSING and the key architect behind the VSING System, having designed its gamified content ecosystem, digital economy, and immersive user experience. He has solid track record in technology entrepreneurship – having founded and led multiple successful ventures including Warlord Technologies (esports brand with international retail and event operations), CodeBento (software development), and VSNAP (affiliate e-commerce platform). His combined experience in software development, system design, and digital entertainment gives him an unique ability to lead both creative and technical teams. Mr. Le oversees VSING's product development, Research and Development, and visual innovation, driving its global expansion.

Mr. Ngu and Mr. Le and the management team of the Target Group have accumulated extensive experience, knowledge and expertise in the digital entertainment and system development sectors. Over the years, the in-depth industry expertise and commitment to high-quality work of the management team of the Target Group plays a pivotal role in the development of VSING and enable it to capture future growth.

Whilst the Company does not have the relevant management expertise in the Target Group's business, it is intended that, upon Completion, the management team of the Target Group will continue to manage and oversee the business operations and performance of the Target Group under the supervision of Mr. Ngu, who will be proposed to be appointed senior management of the Company and report to the Board directly upon appointment.

Major Assets and Liabilities of the Target Group

The major assets and liabilities of the Target Group are as follows:

Major Assets:

(a) VSING System: This includes the deployed and inventory stock of interactive entertainment hardware systems (LED displays, sound equipment, stage effects, control units) integrated with proprietary VSING software.

(b) Software IP: Proprietary rights to the VSING platform, including the mobile app, backend system, content management tools, and gamification modules.

(c) Permits and Licenses: the required permit and licences that are material for carrying out its business operations in Hong Kong and elsewhere.

(d) Receivables and Deposits: Prepaid software fees and security deposits from venue partners.

Major Liabilities:

Loans: The Target Group has been financially supported by shareholder or director loans and a loan from the Company as stated under "Further Commitment of the Company in the Target Group".

Further Commitment of the Company in the Target Group

On 10 April 2025, the Company as lender entered into a loan agreement with V Sing International as the borrower, pursuant to which the Company agreed to provide V Sing International a loan in the principal amount of HK$3,000,000 for a term of 5 months with 1% interest per month. Mr. Ngu personally guaranteed in favour of the Company the due performance of the obligations of V Sing International under the loan agreement.

Interest is repayable at the end of each month and the principal shall be repaid at the end of the term together with the interest repayable. Early repayment of the principal and interest thereon is permitted.

The purpose of the loan is to fund the business expansion of the Target Group and for the acquisition of certain equipment and machineries for and incidental of its business. Save for the foregoing, the Company has no further commitment in the Target Group as of the Latest Practicable Date.

The provision of the loan does not constitute a notifiable transaction for the Company under the Listing Rules as none of the relevant Percentage Ratio(s) (as defined under the Listing Rules) is 5% or more but is less than 25%.

INFORMATION OF THE VENDORS

The Vendors are engaged in investment holding. V Sing Holdings is ultimately held by Mr. Wu Hung-To, Jeffrey (approximately 9.5%), Ms. Wu Chun-Ling, Emily Go (approximately 0.5%), Mr. Teoh Zing Keat (approximately 25%), Mr. Le (approximately 8.3%), Mr. Chong Sin Ran (approximately 6.7%), Mr. Ngu (approximately 47.5%) and Mr. Cheung Shui Lin (approximately 2.5%).

Silver Hero is ultimately held by Mr. Wu Hung-To, Jeffrey and Ms. Wu Chun-Ling, Emily Go as to 95% and 5%, respectively. The ultimate beneficial owners of the Vendors are merchants.

The Vendors were introduced to the Company through business contacts familiar with the nightlife entertainment and technology sectors. Upon Completion, V Sing Holdings will become the single largest Shareholder and as at the Latest Practicable Date, it intends to continue the existing principal businesses of the Group immediately following Completion.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendors and their ultimate beneficial owners are Independent Third Parties and do not have any relationship with the Company, its connected persons and their respective associates.

FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below is the financial information of the Target Group based on the audited consolidated accounts of the Target Company for the years ended 31 December 2023 and 31 December 2024 prepared in accordance with the generally accepted accounting principles of Hong Kong and extracted from its audited accounts set out in Appendix II to this circular:

	For the year ended 31 December 2024 (audited) *approximately HK$'000*	**For the year ended 31 December 2023 (audited)** *approximately HK$'000*
Revenue	16,897	4,647
Profit/(loss) before taxation	6,558	(3,092)
Profit/(loss) after taxation	5,639	(3,151)

As at 31 December 2024, the audited consolidated net asset value of the Target Group was approximately HK$2,466,000.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Group is principally engaged in providing international freight forwarding and logistics services, with primary focus on air/sea freight forwarding and related services, trucking and warehousing to customers worldwide, manufacturing and sale of plastic products in Vietnam and trading of used mobile phones.

The Company strives to operate and develop its business to create value for the Company and its shareholders in a long term and sustainable manner. It seeks suitable investment opportunities from time to time to diversify its existing business portfolio and to broaden the Group's source of income. The Board considers that the Acquisition allows the Group to tap into the business of digital entertainment technology in view of its growing popularity worldwide. The Consideration is satisfied by way of allotment and issue of the Consideration Shares and therefore does not create any cashflow burden on the Group. The interest of the Company and the Shareholders are also safeguarded by the Profit Guarantee and the Guaranteed Profit Compensation.

As at the Latest Practicable Date, save for the Acquisition, the Company (1) has no plan or intention and has not entered into any agreement, arrangement, understanding or negotiation in relation to the acquisition of new businesses or downsize or disposal of its existing businesses; and (2) intends to continue its existing principal businesses upon completion of the Acquisition.

In light of the above as well as the Valuation of the Target Group prepared by the Independent Valuer, the financial performance and future prospect of the Target Group, the Directors (including the independent non-executive Directors) consider that the terms of the Acquisition are fair and reasonable and the entering into of the Sale and Purchase Agreement is on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE ACQUISITION

Assets and Liabilities

Based on the audited consolidated financial statements of the Group as of 31 December 2024, the net asset value of the Group as at 31 December 2024 is approximately RM24,241,000 (equivalent to approximately HK$44,992,508 based on the applicable exchange rate as at the Latest Practicable Date).

Based on the unaudited pro forma consolidated financial position of the Enlarged Group as if the Acquisition had been completed on 31 December 2024 as set out in Appendix III to this circular, it is estimated that upon Completion, the total assets of the Group will increase by approximately HK$19,762,000 and the total liabilities of Group will increase by approximately HK$17,296,000. It is estimated that the unaudited net assets of the Group will increase by approximately HK$2,466,000.

Earnings

For the financial year ended 31 December 2024, the audited consolidated revenue and net loss of the Group was approximately RM85,473,000 (equivalent to approximately HK$158,642,161 based on the applicable exchange rate as at the Latest Practicable Date) and approximately RM7,476,000 (equivalent to approximately HK$13,875,829 based on the applicable exchange rate as at the Latest Practicable Date), respectively.

According to the financial information of the Target Group as set out in Appendix II to this circular, the audited consolidated revenue and net profit of the Target Group for the year ended 31 December 2024 was approximately HK$16,897,000 and HK$5,639,000, respectively. Given the Guaranteed Profit remains valid up to the year ending 31 December 2025, it is expected the Acquisition will have positive impact to the revenue and earnings of the Group upon Completion.

The actual gain or loss to be recorded by the Company depends on the net asset/liability value of the Target Group as at the date of the Completion, which is subject to final audit to be performed by the auditors of the Company.

EFFECT OF THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the Consideration Shares having been issued, assuming in all cases that there are no other changes in the share capital of the Company from the Latest Practicable Date up to the issue of the Consideration Shares.

Name of Shareholder	As at the Latest Practicable Date		Immediately upon Completion	
	Number of Shares held	*% (approx.)*	*Number of Shares held*	*% (approx.)*
Win All Management Limited ("**Win All**") *(Note 1)*	188,360,000	24.77%	188,360,000	17.47%
Public Shareholders	571,960,000	75.23%	571,960,000	53.04%
V Sing Holdings *(Note 2)*	–	–	295,127,610	27.37%
Silver Hero *(Notes 2 and 3)*	–	–	22,872,390	2.12%
Total	760,320,000	100.00%	1,078,320,000	100.00%

Notes:

(1) Win All is a company owned as to 100% by Mr. Ng Hang Fai Clavin ("**Mr. Ng**"). By virtue of the SFO, Mr. Ng is deemed to be interested in 188,360,000 Shares held by Win All.

(2) V Sing Holdings and Silver Hero are not presumed to be parties acting in concert under the Takeovers Code.

(3) The shareholding of Silver Hero after completion of the Acquisition shall be regarded as Shares held by public Shareholders.

As V Sing Holdings would become the single largest Shareholder upon completion of the Acquisition, as at the Latest Practicable Date, it (i) intends to appoint Mr. Ngu as senior management of the Company to oversee the management and operations of the Target Group, his background and experience are set out in the section headed "Management Expertise" above; and (ii) does not intend to acquire further interest in the Company which may trigger a change in control of the Company.

Save for the Sale and Purchase Agreement and the transaction contemplated therein, the Vendors do not have any relationship (business or otherwise) with the Company, its connected persons and their respective associates.

GEM LISTING RULES IMPLICATIONS

As the highest percentage applicable ratio (as defined under the GEM Listing Rules) in respect of the Transaction exceeds 25% but is less than 100%, the Transaction constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting, announcement and Shareholders' approval requirements under the GEM Listing Rules.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Board proposes to increase the authorised share capital of the Company from HK$100,000,000 divided into 1,000,000,000 Shares of HK$0.10 each to HK$200,000,000 divided into 2,000,000,000 Shares of HK$0.10 each by the creation of an additional 1,000,000,000 unissued Shares of HK$0.10 each. As at the Latest Practicable Date, 760,320,000 Shares are in issue and 239,680,000 Shares are authorised but unissued. Subject to the passing of an ordinary resolution by the Shareholders at the EGM to approve the Increase in Authorised Share Capital, the Increase in Authorised Share Capital will become effective on the date of the EGM.

The Consideration of the Acquisition is proposed to be settled by the issuance and allotment of 318,000,000 Consideration Shares and in order to accommodate the allotment and the issue of the Consideration Shares and provide the Company with greater flexibility to raise funds in the future, the Board proposes the Increase in Authorised Share Capital and such new Shares, upon issue, shall rank pari passu in all respects with the existing Shares.

The Board considers the Increase in Authorised Share Capital is in the interests of the Company and the Shareholders as a whole. Subject to the passing of an ordinary resolution by the Shareholders at the EGM to approve the Increase in Authorised Share Capital, the Increase in Authorised Share Capital will become effective on the date of the EGM.

EGM

The EGM will be held at Unit 5D, 5/F, Hang Cheong Factory Building, No. 1 Wing Ming Street, Kowloon, Hong Kong at 11:00 a.m. on Thursday, 17 July 2025 for the purpose of considering and, if thought fit, approving the ordinary resolutions in respect of the Sale and Purchase Agreement, and the transactions contemplated thereunder, including the issue of the Consideration Shares under the Specific Mandate as well as the Increase in Authorised Share Capital.

The notice convening the EGM is set out on pages EGM-1 to EGM-4 of this circular. A form of proxy for use at the EGM is also enclosed in this circular. Whether or not you are able to attend the EGM and/or vote at the EGM in person, you are requested to complete and return the enclosed form of proxy to the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the holding of the EGM (or any adjourned meeting). Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM (or any adjourned meeting) if you so wish. Treasury Shares, if any, and registered under the name of the Company shall have no voting rights at the EGM. For the avoidance of doubt and for the purpose of the GEM Listing Rules, Treasury Shares held under the name of CCASS shall abstain from voting at the EGM.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder, including the proposed grant of the Specific Mandate to issue the Consideration Shares as well as the Increase in Authorised Share Capital and accordingly no Shareholder is required to abstain from voting on the resolution(s) to be proposed at the EGM.

RECOMMENDATION

On the basis of the information set out in this circular, the Board considers that the Acquisition and the issuance of Consideration Shares under Special Mandate as well as the Increase in Authorised Share Capital are fair and reasonable and in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favor of all the resolutions as set out in the notice of EGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information contained in the appendices to this circular.

Yours faithfully,
By order of the Board
WORLDGATE GLOBAL LOGISTICS LTD
Lai Kwok Hei
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

The Company is required to set out in this circular the information for the last three financial years with respect to the profits and losses, financial record and position, set out as a comparative table and the latest published audited statement of financial position together with the notes on the annual accounts for the last financial year for the Group.

The audited consolidated financial statements of the Group for the year ended 31 December 2024 have been set out in the Company's 2024 Annual Report published on 28 April 2025. Please refer to the following hyperlink:

https://www1.hkexnews.hk/listedco/listconews/gem/2025/0425/2025042501145.pdf

The audited consolidated financial statements of the Group for the year ended 31 December 2023 have been set out in the Company's 2023 Annual Report published on 26 April 2024. Please refer to the following hyperlink:

https://www1.hkexnews.hk/listedco/listconews/gem/2024/0426/2024042601508.pdf

The audited consolidated financial statements of the Group for the year ended 31 December 2022 have been set out in the Company's 2022 Annual Report published on 31 March 2023. Please refer to the following hyperlink:

https://www1.hkexnews.hk/listedco/listconews/gem/2023/0331/2023033102121.pdf

The aforesaid annual reports of the Company have been published on the websites of the Stock Exchange (http://www.hkexnews.hk) and of the Company (http://www.worldgate.com.hk).

2. STATEMENT OF INDEBTEDNESS

At the close of business on 5 May 2025, being the latest practicable date for the purpose of this indebtedness statement prior to the publication of this circular, the Enlarged Group had the following outstanding indebtedness:

	As at 5 May 2025
	RM'000
Current liabilities	
Secured Bank borrowings	2,632
Lease liabilities	1,144
Amounts due to related parties	793
Amounts due to related companies	7,139
	11,708
Non-current liabilities	
Secured Bank borrowings	802
	12,510

Except for bank borrowings which were secured but unguaranteed, all other liabilities were unsecured and unguaranteed.

Save as disclosed above, the Group did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance (other than normal trade bills), acceptance credits, hire purchase commitments, outstanding convertible debt securities or other similar indebtedness, any guarantees or other material contingent liabilities at the close of business on 5 May 2025.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse changes in the financial or trading position or prospects of the Group since 31 December 2024, being the date to which the latest audited consolidated financial statements of the Group were made up.

4. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the financial resources available to the Enlarged Group including internal resources available and available banking facilities, the Enlarged Group has sufficient working capital for its requirements for at least 12 months from the date of publication of this circular.

5. FINANCIAL AND TRADING OF THE GROUP

The Group is principally engaged in providing international freight forwarding and logistics services, with primary focus on air/sea freight forwarding and related services, trucking and warehousing to customers worldwide, manufacturing and sale of plastic products in Vietnam and trading of used mobile phones.

In terms of logistics solution, the Group offers a comprehensive and wide range of services to meet its customers' needs, including air/sea freight forwarding and related services, trucking and warehousing related services. The Group also provides value-added services such as supply chain management services including pick & pack, distribution and stock & inventory report, security escort services and tracking services. These services are complementary to one another, and provide customers a wide range of services with cost savings. Although the freight forwarding industry in Malaysia is highly fragmented and competitive, in particular, the Group directly and indirectly compete with other integrated logistics service providers on a local, regional and international basis in the form of pricing, range of services provided, information technology and network of customer, the Group implements logistics service in Hong Kong with the intention to strengthen the market position and expects that the logistics business in Hong Kong will financially benefit the Group and enable the Group to better capture the opportunity of growth. The Group shall closely monitor the market situations and make necessary adjustments to its strategies and operations.

The Group's manufacturing and sale of plastic products mainly consists of (i) manufacturing plastic products and accessories for industrial and civil equipment; (ii) producing molds related to plastic products, and (iii) sale of plastic products and accessories.

The Group aims to strengthen its position as an integrated logistics solutions service provider in both Hong Kong and Malaysia. The Directors believe that an optimistic outlook on the resilience of the industry and the robustness of the Group's business. The market has endured its trough, and the Group has largely overcome the major challenges it previously encountered, gradually setting itself on the right track and is prepared to forge ahead. The Group is committed to the strategic objectives that it set previously, focusing on sustainable development, and operational excellence, while continuously optimising corporate assets and financial health. In terms of market positioning, the Group aim to strengthen its competitive position and seize emerging market opportunities through focusing on its advantages, and believe that the Group will emerge stronger from the current challenges and deliver long-term value to shareholders of the Company.

The following is the text of a report received from the Company's reporting accountants, Elite Partners CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

elite partners

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF WORLDGATE GLOBAL LOGISTICS LTD

Introduction

We report on the historical financial information of V Sing Global Limited (the "**Target Company**") and its subsidiaries (collectively referred to as "**Target Group**") set out on pages II-4 to II-30, which comprises the consolidated statement of financial position as at 31 December 2022, 2023 and 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statements of changes in equity and consolidated statement of cash flows, for the period from 12 December 2022 (date of incorporation) to 31 December 2022 and each of the two years ended 31 December 2023 and 2024 (The "**Relevant Periods**"), and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages II-4 to II-30 forms an integral part of this report, which has been prepared for inclusion in the circular dated 30 June 2025 (the "**Circular**") issued by Worldgate Global Logistics Ltd (the "**Company**") in connection with the acquisition of 100% equity interest in the Target Company (the "**Acquisition**").

Directors' responsibility for the Historical Financial Information

The directors of Target Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of consolidated financial position of the Target Group as at 31 December 2022, 2023 and 2024 and of the consolidated financial performance and cash flows of the Target Group for the Relevant Periods in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding up and Miscellaneous provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page II-3 have been made.

Dividends

No dividends have been declared or paid by the Target Company during the Relevant Periods.

Elite Partners CPA Limited
Certified Public Accountants
Mr. Siu Jimmy
Practising Certificate Number: P05898
30 June 2025

PREPARATION OF HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The underlying financial statements of the Target Group for the Relevant Periods, on which the Historical Financial Information is based, have been prepared in accordance with accounting policies which conform with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and were audited by us in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA ("**Underlying Financial Statements**").

The Historical Financial Information is presented in Hong Kong Dollar ("**HK$**"), which is also the Target Company's functional currency, and all values are rounded to the nearest thousand ("**HK$'000**") except when otherwise indicated.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	**Period from 12 December 2022 (date of incorporation) to 31 December 2022**	**Year ended 31 December 2023**	**2024**
		HK$'000	*HK$'000*	*HK$'000*
Revenue	6	–	4,647	16,897
Cost of sales		–	(2,254)	(6,014)
Gross profit		–	2,393	10,883
Other income or loss, net	8	–	333	2,797
Expected credit loss allowance		–	(112)	(563)
Administrative and selling expenses		(92)	(5,706)	(6,559)
(Loss)/profit before taxation		(92)	(3,092)	6,558
Income tax expense	12	–	(59)	(919)
(Loss)/profit for the period/year		(92)	(3,151)	5,639
Other comprehensive income/ (expense):				
Exchanges difference arising on translation of foreign operation		–	2	(10)
Total comprehensive (expense)/income for the period/year		(92)	(3,149)	5,629

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2022 *HK$'000*	2023 *HK$'000*	2024 *HK$'000*
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	14	–	84	333
		–	84	333
Current assets				
Accounts receivables	15	–	1,052	6,186
Other receivables, deposits and prepayment	15	–	346	1,368
Amounts due from related companies	16	6	5,427	9,665
Cash and bank balances	17	–	563	2,210
		6	7,388	19,429
Current liabilities				
Accounts payables, other payables and accruals	18	20	1,547	1,255
Amounts due to directors	16	–	1,620	1,594
Amounts due to related companies	16	–	7,409	13,469
Tax payables		–	59	978
		20	10,635	17,296
Net current (liabilities)/assets		(14)	(3,247)	2,133
Total assets less current liabilities		(14)	(3,163)	2,466
Net (liabilities)/assets		(14)	(3,163)	2,466
Capital and reserves				
Share capital	19	78	78	78
Exchange reserve		–	2	(8)
(Accumulated losses)/retained earnings		(92)	(3,243)	2,396
TOTAL (DEFICIT)/EQUITY		(14)	(3,163)	2,466

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the owner of the Target Company			
	Share capital *HK$'000*	**Exchange reserve** *HK$'000*	**(Accumulated losses)/ retained earnings** *HK$'000*	**Total** *HK$'000*
As at 12 December 2022 (date of incorporation)	78	–	–	78
Loss and total comprehensive expense for the period from 12 December 2022 (date of incorporation) to 31 December 2022	–	–	(92)	(92)
As at 31 December 2022 and 1 January 2023	78	–	(92)	(14)
Loss for the year	–	–	(3,151)	(3,152)
Other comprehensive income:				
Exchange difference arising on translation of foreign operation	–	2	–	2
As at 31 December 2023 and 1 January 2024	78	2	(3,243)	(3,163)
Profit for the year	–	–	5,639	5,639
Other comprehensive expense:				
Exchange difference arising on translation of foreign operation	–	(10)	–	(10)
As at 31 December 2024	78	(8)	2,396	2,466

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Period from 12 December 2022 (date of incorporation) to 31 December 2022	Year ended 31 December 2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Operating activities			
Adjustments for:			
(Loss)/profit for the period/year	(92)	(3,092)	6,558
Depreciation of plant and equipment	–	14	49
Expected credit loss allowance	–	112	563
Interest income	–	(1)	(1)
Operating cash outflows before movements in working capital	(92)	(2,967)	7,169
Changes in accounts receivables	–	(1,057)	(5,609)
Changes in other receivables, deposits and prepayment	–	(453)	(1,110)
Changes in accounts payables, other payables and accruals	20	1,527	(292)
Net cash (used in)/generated from operating activities	(72)	(2,950)	158
Investing activities			
Purchases of plant and equipment	–	(98)	(298)
Advance to related companies	(6)	(5,421)	(4,238)
Interest received	–	1	1
Net cash used in from investing activities	(6)	(5,518)	(4,535)
Financing activities			
Proceeds from issue of shares	78	–	–
Advance from related companies	–	7,409	6,060
Advance from/(repayment to) directors	–	1,620	(26)
Net cash generated from financing activities	78	9,029	6,034
Net increase in cash and cash equivalents	–	561	1,657
Cash and cash equivalents at the beginning of the period/year	–	–	563
Effect of foreign exchange rate changes	–	2	(10)
Cash and cash equivalents at the end of the period/year	–	563	2,210

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

V Sing Global Limited (the "**Target Company**"), a limited liability company incorporated in the British Virgin Islands (the "**BVI**") on 12 December 2022. The immediate and ultimate holding company of the Target Company is VSING Holdings Limited, which was incorporated in the BVI. The ultimate shareholder of the Target Company is Mr. Ngu Sing King. The Target Company is an investment holding company. The Target Company and its subsidiaries (together, the "**Target Group**") are principally engaged in the operation of global artificial intelligence-driven social entertainment music platform and solution provider known as "VSING" and transforms physical venues into dynamic performance hubs.

As at the date of this report, the Target Company had direct or indirect interests in the subsidiaries set out in note 23, all of which are private companies.

2. BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

The HKICPA has issued a number of new and revised HKFRSs. For the purpose of preparing this Historical Financial Information, the Target Group has adopted all applicable new and revised HKFRSs to the Relevant Periods, except for any new standards or interpretations that are not yet effective for the accounting year ended 31 December 2024. The revised and new accounting standards and interpretations issued but not yet effective for the accounting period beginning on 1 January 2025 are set out in Note 3.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Historical Financial Information has been prepared on the historical cost basis at the end of each Relevant Periods, as explained in the accounting policies set out below.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

The Historical Financial Information has been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**") which collective terms includes all applicable individual HKFRSs, Hong Kong Accounting Standards and interpretations issued by the HKICPA. Further details of the material accounting policy information are set out in Note 4. For the purpose of preparing this Historical Financial Information, the Target Group has consistently adopted all applicable new and revised HKFRSs that are effective during the Relevant Periods, except for any new standards or interpretations that are not yet effective for the Relevant Periods.

Amendments to HKFRS Accounting Standards in issue but not yet effective

The following amendment to HKFRSs, potentially relevant to the Target Group's consolidated financial statements, have been issued, but not yet effective and have not been early adopted by the Target Group. The Target Group's current intention is to apply these changes on the date they become effective.

HKAS 21 (Amendments)	Lack of Exchangeability[1]
HKFRS 9 (Amendments) and HKFRS 7 (Amendments)	Amendments to Classification and Measurement of Financial Instruments[2]
HKFRS 9 (Amendments) and HKFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity[2]
HKFRS 10 and HKAS 28 (Amendments)	Sales or Contribution of Assets between an investor and its Associate or Joint Ventures[2]
HKFRS Accounting Standards (Amendments)	Annual Improvements to HKFRS Accounting Standards – Volume 11[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]

1 Effective for annual periods beginning on or after 1 January 2025.
2 Effective for annual periods beginning on or after 1 January 2026.
3 Effective for annual periods beginning on or after 1 January 2027.

The directors of the Target Company anticipate that the application of these amendment to HKFRSs will have no material impact on the Target Group's financial performance and positions and/or the disclosures to the consolidated financial statements of the Target Group.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and the applicable disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

a. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Target Company and entities controlled by the Target Company and its subsidiaries. Control is achieved when the Target Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Target Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Target Group obtains control over the subsidiary and ceases when the Target Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Target Group gains control until the date when the Target Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Target Company. Total comprehensive income of subsidiaries is attributed to the owners of the Target Company.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Target Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Target Group are eliminated in full on consolidation.

Changes in the Target Group's ownership interests in subsidiaries that do not result in the Target Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity including reserves and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the noncontrolling interests are adjusted after re-attribution of the relevant equity component, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Target Company.

When the Target Group loses control of a subsidiary, a gain or loss on disposal is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Target Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 "Financial Instruments" or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Target Company's statement of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs for investment.

The results of subsidiaries are accounted for by the Target Company on the basis of dividends received and receivable at the end of the reporting period. All dividends whether received out of the investee's pre- or post-acquisition profits are recognised in the Target Company's profit or loss.

b. Revenue recognition

Revenue represents the amount received and receivable for goods sold and services provided by the Target Group to outside customers, less discounts and sales tax.

To determine whether to recognise revenue, the Target Group follows a 5-step process:

1. Identifying the contract with a customer

2. Identifying the performance obligations

3. Determining the transaction price

4. Allocating the transaction price to the performance obligations

5. Recognising revenue when/as performance obligations are satisfied

Further details of the Target Group's revenue and other income recognition policies are as follows:

(a) Revenue from providing of music platform

The Target Group offers virtual gifts to users for free or sells virtual gifts to users on the Target Group's online karaoke and live streaming platforms. The virtual gifts are sold to users at different specified prices as pre-determined by the Target Group. The utilisation of each virtual gift sold to users is considered as the performance obligation and the Target Group allocates revenue to each performance obligation on a relative stand-alone selling price basis, which are determined based on the prices charged to the customers. Virtual gifts are categorized as consumable, time-based and durable. Consumable items are consumed upon purchase and use, while time-based items could be used for a fixed period. The Target Group does not have further obligations to the user after the virtual gifts are consumed immediately or after the stated period for time-based items. The revenue for the sale of consumable virtual gifts on the online karaoke and online live streaming platforms is recognised immediately when a virtual item is consumed or, in the case of a time-based virtual item, recognized ratably over the useful life of the items, which generally does not exceed one year. The Target Group recognizes the revenue for sales of durable virtual gifts over their estimated lifespans of no longer than six months, which are determined by the management based on the expected service periods derived from historical data of the Target Group's user relationship periods, given there is an implicit obligation of the Target Group to maintain the virtual gifts operating on its platforms.

(b) Royal fee income

Royalty fee income are earned from licensing the Target Group's intellectual property, i.e. the music to third parties. These fees are typically calculated as a percentage of the licensee's revenue or as a fixed amount per usage (e.g., per stream or download). Royalty revenue is recognised when the licensee's usage occurs, provided that the amount can be reliably measured and collection is reasonably assured.

(c) Franchise fees

Franchise fees income represents income from franchisees operating under the Target Group's brand and business model. Initial franchise fees, received upon signing the franchise agreement, are deferred and recognised as revenue over the franchise term, reflecting the ongoing support and services provided.

Principal versus agent

The Target Group reports the revenue on a gross or net basis depending on whether the Target Group is acting as a principal or an agent in a transaction. The determination of whether to report the revenues of the Target Group on a gross or net basis is based on an evaluation made of various factors, including but not limited to whether the Target Group (i) is the primary obligor in the arrangement; (ii) has latitude in establishing the selling price; (iii) changes the product or performs part of the service; and (iv) has involvement in the determination of product and service specifications.

The Target Group considered itself as the principal in the contracts with customers as it controls the good or service before the service is transferred to a customer.

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

c. Property, plant and equipment

Property, plant and equipment are initially recognised at acquisition cost. They are subsequently stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

Furniture, fixtures and equipment	20%

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

d. Impairment on property, plant and equipment

At the end of the reporting period, the Target Group reviews the carrying amounts of its property, plant and equipment investment in subsidiaries with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment and investments in subsidiaries and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Target Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In addition, the Target Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

e. Employee benefits

Retirement benefits costs

Retirement benefit costs payments to the state-managed retirement benefit schemes in relation to employees of the Target Company's subsidiary in the Malaysia and the Mandatory Provident Fund Scheme in relation to employees of the Target Company's subsidiary in Hong Kong are recognised as an expense when employees have rendered service entitling them to the contributions.

f. Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deducting any amount already paid.

g. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit/loss before income tax' as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Target Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Target Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interest only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Target Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

In assessing any uncertainty over income tax treatments, the Target Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

h. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated (i.e. only translated using the exchange rates at the transaction date).

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Target Group's foreign operations are translated into the presentation currency of the Target Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to noncontrolling interests as appropriate).

i. Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Target Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component are measured at the transaction price in accordance with HKFRS 15 "Revenue from Contracts with Customers", all financial assets are initially measured at fair value.

Non-equity financial assets held by the Target Group are classified into one of the following measurement category:

- amortised cost, if the financial asset is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the financial asset is calculated using the effective interest method.

Accounts receivables are recognised when the Target Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. They are stated at amortised cost using the effective interest method less allowance for impairment losses.

Other receivables, deposits and prepayment, amount due from related parties, amounts due from ultimate holding company and bank balances and cash of the Target Group are stated at amortised cost.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within other income or loss, net, except for expected credit losses ("**ECL**") of financial assets which is presented as a separate item in profit or loss.

Subsequent measurement of financial assets

Financial assets at amortised cost

After initial recognition, these financial assets are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in "Other income or losses, net" in profit or loss. Discounting is omitted where the effect of discounting is immaterial.

Impairment of financial assets

HKFRS 9's impairment requirements use forward-looking information to recognise ECL – the "ECL model". Instruments within the scope included financial assets carried at amortised cost.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

ECL is measured on either of the following bases:

– 12-month ECL: these are losses which are expected to result from possible default events within the 12 months after the reporting date; and

– Life-time ECL: these are losses which are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

In applying this forward-looking approach, a distinction is made between:

– financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("**Stage 1**"); and

– financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("**Stage 2**").

"Stage 3" would cover financial assets that have objective evidence of impairment at the reporting date.

"12-month ECL" are recognised for the Stage 1 category while "lifetime ECL" are recognised for the Stage 2 and Stage 3 categories.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Accounts receivables

The Target Group applies a simplified approach in calculating ECL and recognises a loss allowance based on lifetime ECL at each reporting date. These are expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment. To measure the ECL, accounts receivables have been grouped based on share credit risk characteristics and the days past due.

Other financial assets measured at amortised cost

The Target Group measures the loss allowance for other receivables and amounts due from related companies equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood of risk of default occurring since initial recognition.

In assessing whether the credit risk has increased significantly since initial recognition, the Target Group compares the risk of a default occurring on the financial assets at the end of each reporting period with the risk of default occurring on the financial assets at the date of initial recognition. In making this assessment, the Target Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

– an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

– significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

– existing or forecast adverse changes in regulatory, business, financial, economic conditions, or technological environment that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and

– an actual or expected significant deterioration in the operating results of the debtor.

Irrespective of the outcome of the above assessment, the Target Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 180 days past due, unless the Target Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Target Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the end of each reporting period. A debt instrument is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

For internal credit risk management, the Target Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Target Group, in full (without taking into account any collateral held by the Target Group).

Classification and measurement of financial liabilities

The Target Group's financial liabilities include accounts payables, other payables and accruals, amount due to directors and amounts due to related companies.

Financial liabilities are initially measured at fair value, and where applicable, adjusted for transaction costs.

Subsequently, financial liabilities (other than lease liabilities) are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included on the face of the consolidated statement of profit or loss and other comprehensive income.

All are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

j. Related parties

For the purposes of these consolidated financial statements, a party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and if that person:

(i) has control or joint control over of the Target Group;

(ii) has significant influence over the Target Group; or

(iii) is a member of the key management personnel of the Target Group or of a parent of the Target Group.

(b) the party is an entity and if any of the following conditions applies:

(i) the entity and the Target Group are members of the same group.

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) the entity and the Target Group are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Target Group or an entity related to the Target Group.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Target Group or to the parent of the Target Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Target Group's accounting policies, which are described in note 3, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Target Company have made in the process of applying the Target Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Estimated impairment of trade and other receivables, deposits and prepayment amounts due from related companies

The Target Group makes allowances on items subject to ECL (including account receivables and other receivables and deposits and amounts due from related parties a non-controlling shareholder of subsidiaries) based on assumptions about risk of default and expected loss rates. The Target Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Target Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

As at 31 December 2022, the aggregate carrying amounts of accounts receivables, other receivables, deposits and prepayment and amounts due from related companies amounted to HK$nil (net of ECL allowance of HK$nil), HK$nil (net of ECL allowance of HK$nil) and approximately HK$6,000 (net of ECL allowance of HK$nil), respectively.

As at 31 December 2023, the aggregate carrying amounts of accounts receivables, other receivables, deposits and prepayment and amounts due from related companies amounted to approximately HK$1,052,000 (net of ECL allowance of approximately HK$5,000), approximately HK$346,000 (net of ECL allowance of approximately HK$4,000) and approximately HK$5,427,0000 (net of ECL allowance of approximately HK$103,000), respectively.

As at 31 December 2024, the aggregate carrying amounts of accounts receivables, other receivables, deposits and prepayment and amounts due from related companies amounted to HK$6,186,000 (net of ECL allowance of approximately HK$480,000), HK$1,368,000 (net of ECL allowance of approximately HK$15,000) and approximately HK$9,665,000 (net of ECL allowance of approximately HK$180,000), respectively.

6. REVENUE

	Period from 12 December 2022 (date of incorporation) to 31 December 2022	Year ended 31 December 2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Providing of music platform	–	4,021	15,184
Royalty fee income	–	209	183
Franchise fee income	–	417	1,530
	–	4,647	16,897
Timing of revenue recognised have contracts with customers			
– Over time	–	4,438	16,714
– At a point of time	–	209	183
	–	4,647	16,897

7. SEGMENT INFORMATION

Information reported to the executive director, being the CODM, for the purposes of resource allocation and assessment focuses on revenue analysis by products. No other discrete financial information is provided other than the Group's results and financial position as a whole. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

The Company is an investment holding company and the principal place of the Group's operation is in the Hong Kong. For the purpose of segment information disclosures under HKFRS 8, the Group regarded the Hong Kong as its country of domicile.

Geographical information

All of the revenues are derived from external customers located in the Hong Kong.

Over 80% of the Group's non-current assets are principally attributable to the Hong Kong, being the single geographical region.

Information about major customers

During the Relevant Periods, there was no revenue derived from a single customer which accounted for 10% or more of the Group's revenue.

8. OTHER INCOME OR LOSSES, NET

	Period from 12 December 2022 (date of incorporation) to 31 December 2022	Year ended 31 December	
		2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Bank interest income	–	1	1
Sponsorship income	–	200	50
Exchange losses	–	(2)	(86)
Others	–	134	2,832
	–	333	2,797

9. (LOSS)/PROFIT BEFORE TAXATION

The Target Group's (loss)/profit before taxation is arrived at after charging:

	Period from 12 December 2022 (date of incorporation) to 31 December 2022	Year ended 31 December	
		2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Auditor's remuneration	–	25	25
Depreciation of property, plant and equipment	–	14	49
Short-term leases with lease term less than 12 months	–	–	44
Staff costs			
– staff salaries and allowances	–	2,854	2,601
– contributions to defined contribution retirement schemes	–	109	115

10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Director) Regulation for the period from 12 December 2022 (date of incorporation) to 31 December 2022 and years ended 31 December 2023 and 2024 are HK$nil, HK$nil and approximately HK$549,000.

11. FIVE HIGHEST PAID EMPLOYEES

The number of the five highest paid individuals who are not the directors of the Target Company whose emoluments fell are within the following band is as follows:

	Period from 12 December 2022 (date of incorporation) to 31 December	Year ended 31 December	
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Nil to HK$1,000,000	80	2,188	2,507

During the Relevant Periods, there was no arrangement under which the Directors waived or agreed to waive any emoluments.

12. INCOME TAX EXPENSE

The Target Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Target Group are domiciled and operate.

Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity are taxed at 8.25%, and profits above HK$2 million are taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

Taxes on profits assessable in Malaysia have been calculated at the prevailing tax rates, based on existing legislation, interpretations, and practices in respect thereof. Pursuant to the Malaysian Income Tax Act 1967 (the "**Malaysian Tax Act**"), the corporate income tax rate for the Group's subsidiary operating in Malaysia during the Relevant Period was 24% (standard rate) of their taxable profits.

	Period from 12 December 2022 (date of incorporation) to 31 December	Year ended 31 December	
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Income tax expenses – current income tax	–	59	919

Tax expense for the period/year is reconciled to (loss)/profit before income tax per consolidated statement of profit or loss and other comprehensive income as follows:

	Period from 12 December 2022 (date of incorporation) to 31 December	Year ended 31 December	
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
(Loss)/profit before taxation	(92)	(3,092)	6,558
Tax calculated at the domestic income tax rate	(15)	(499)	861
Tax effect of tax losses not recognised	15	532	216
Tax effect of temporary difference not recognised	–	26	96
Tax effect of utilisation of tax losses	–	–	(254)
Tax expense for the period/year	–	59	919

13. EARNINGS PER SHARE

No earnings per share information is presented for the purpose of this report as its inclusion is not considered meaningful.

14. PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixture and equipment *HK$'000*
At cost:	
As at the date of incorporation	–
As at 31 December 2022 and 1 January 2023	–
Addition	98
As at 31 December 2023 and 1 January 2024	98
Addition	298
As at 31 December 2024	396
Accumulated depreciation:	
As at the date of incorporation	–
As at 31 December 2022 and 1 January 2023	–
Charges for the year	14
As at 31 December 2023 and 1 January 2024	14
Charges for the year	49
As at 31 December 2024	63
Net carrying amount:	
As at 31 December 2024	333
As at 31 December 2023	84
As at 31 December 2022	–

15. ACCOUNT RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT

		As at 31 December	
	2022	2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Account receivables	–	1,057	6,666
Less: Expected credit loss allowance	–	(5)	(480)
	–	1,052	6,186
Other receivables, deposits and prepayment	–	350	1,383
Less: Expected credit loss allowance	–	(4)	(15)
	–	346	1,368
	–	1,302	7,554

The following is an aged analysis of accounts receivables, net of ECL, presented based on invoice date (also approximates to revenue recognition date), net of ECL allowance, at the end of the reporting period:

		As at 31 December	
	2022	2023	2024
	HK$'000	*HK$'000*	*HK$'000*
0–90 days	–	1,052	3,493
91–180 days	–	–	1,272
181–240 days	–	–	1,388
Over 240 days	–	–	33
	–	1,052	6,186

16. AMOUNTS DUE FROM/TO RELATED COMPANIES AND DIRECTORS

(a) Amounts due from related companies

		As at 31 December	
	2022	2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Amounts due from related companies	6	5,530	9,845
Less: Expected credit loss allowance	–	(103)	(180)
	6	5,427	9,665

As at 31 December 2022, 2023 and 2024, the amounts due from related companies are unsecured, interest-free and repayable on demand.

(b) Amounts due to directors

	As at 31 December		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Amounts due to directors	–	1,620	1,594

As at 31 December 2023 and 31 December 2024, the amounts due to directors represents advances provided by the directors to the Target Company for operational funding purposes. These amounts are unsecured, interest-free and repayable on demand.

In the event that the proposed acquisition of the Target Company by Worldgate Global Logistics Ltd, a Hong Kong listed company, is completed, these outstanding amounts will not be settled upon completion.

(c) Amounts due to related companies

	As at 31 December		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Amounts due to related companies	–	7,409	13,469

As at 31 December 2023 and 31 December 2024, the amounts due to related companies represents advances provided by the related companies to the Target Company for operational funding purposes. These amounts are unsecured interest-free, and repayable on demand.

In the event that the proposed acquisition of the Target Company by Worldgate Global Logistics Ltd, a Hong Kong listed company is completed, these outstanding amounts will not be settled upon completion.

17. CASH AND BANK BALANCES

Cash and bank balances comprise bank balances and cash held by the Target Group.

As at 31 December 2024, the Group had bank balances and cash denominated in Malaysian Ringgit ("**RM**") that were either not freely convertible or were subject to exchange controls in the Malaysia, amounting to approximately HK$343,000.

18. ACCOUNTS PAYABLES, OTHER PAYABLES AND ACCRUALS

	As at 31 December		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Accounts payables	–	79	396
Receipts in advance	–	468	66
Other payables and accruals	20	1,000	793
	20	1,547	1,255

The following is an aged analysis of accounts payables, presented based on the invoice date as at the end of the reporting period:

	As at 31 December		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
0–90 days	–	79	396
	–	79	396

The average credit period is 90 days.

19. SHARE CAPITAL

	As at 31 December 2022, 2023 and 2024	
	Number of share	**Total**
		HK$'000
Issued and fully paid:		
10,000 ordinary shares of USD1 each	10,000	78

20. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

Save as disclosed elsewhere in the Historical Financial Information, the Target Group has following significant transactions with the related parties during the Relevant Periods:

	Period from 12 December 2022 (date of incorporation) to 31 December 2022	Year ended 31 December 2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Entities controlled by the ultimate controlling shareholder:			
Provision of music platform income:			
VSR Holdings Limited	–	567	373
VSING PE Limited	–	131	367
Beats Entertainment Group Limited	–	626	194
Ponglive by VSING Limited	–	57	346
VSING Hot Pot Limited	–	1	248
Royalty fee income:			
V SING (MALAYSIA) SDN. BHD.	–	208	1,252
Receiving of services:			
VSR Holdings Limited	–	434	57
VSING PE Limited	–	124	10
Beats Entertainment Group Limited	–	603	861
Ponglive by VSING Limited	–	29	1
VSING Hot Pot Limited	–	–	16
V SING (MALAYSIA) SDN. BHD.	–	135	64
GreenLive Enterprises Limited	–	6	10

The prices for the above transactions were determined in accordance with the terms agreed by the relevant contracting parties.

(b) Balances with related parties

Save as disclosed elsewhere in the Historical Financial Information, as at 31 December 2022, 2023 and 2024, the Target Group had the following material balances with related parties:

	As at 31 December		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Entities controlled by the ultimate controlling shareholder:			
Account receivables:			
VSR Holdings Limited	–	16	–
VSING PE Limited	–	26	214
Beats Entertainment Group Limited	–	41	254
Ponglive by VSING Limited	–	21	9
VSING Hot Pot Limited	–	1	149

21. CAPITAL RISK MANAGEMENT

The Target Group manages its capital to ensure that entities in the Target Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Target Group's overall strategy remains unchanged in the Relevant Periods.

The directors review the capital structure on an annual basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on the results of the review of the directors, the Target Group will balance its overall capital structure through the payment of dividends, raising new share capital as well as the issue of new debt or the redemption of existing debt.

22. FINANCIAL INSTRUMENTS

Categories of financial instruments

	As at 31 December		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Financial assets			
Amortised cost	6	7,388	19,429
Financial liabilities			
Amortised costs	20	10,576	16,318

Financial risk management objectives and policies

The Target Group's major financial instruments include accounts receivables, other receivables, deposits and prepayment, amounts due from related companies, cash and bank balance, amounts payables, other payables and accruals, amounts due to directors and amounts due to related companies. Details of these financial instruments are set out in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

The main risks arising from the Target Group's financial instruments are, credit risk and liquidity risk. The Target Group's overall financial risk management objectives and policies remain unchanged in the Relevant Periods. The Directors review and agree policies for managing each of these risks and they are summarised below:

Credit risk

The Target Group's maximum exposure to credit risk which will cause a financial loss to the Target Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statements of financial position.

The Target Group's credit risk is primarily attributable to its accounts receivables, other receivables and deposits and amounts due from related companies. In order to minimise the credit risk, the Target Group's management continuously monitors the level of exposure to ensure that follow-up action is taken to recover overdue debts. In addition, the Target Group reviews the recoverable amount of each individual debt at the ends of each Relevant Periods to ensure that adequate impairment losses are made for irrecoverable amounts.

Liquidity risk

To manage the liquidity risk, the Target Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the operations of the Target Group and mitigate the effects of fluctuations in cash flows. The Target Group expects to fund its future cash flow needs through internally generated cash flows from operations, as well as financing through directors and related companies.

The following tables detail the remaining contractual maturity of the Target Group for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Target Group can be required to pay.

	On demand and within 3 months	**3 months to 6 months**	**6 months to 1 year**	**Over 1 year**	**Total undiscounted cash flow**	**Carrying amount**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 December 2022						
Accounts payables, other payables and accruals	20	–	–	–	20	20
	20	–	–	–	20	20

	On demand and within 3 months	**3 months to 6 months**	**6 months to 1 year**	**Over 1 year**	**Total undiscounted cash flow**	**Carrying amount**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 December 2023						
Accounts payables, other payables and accruals	1,547	–	–	–	1,547	1,547
Amounts due to directors	1,620	–	–	–	1,620	1,620
Amounts due to related companies	7,409	–	–	–	7,409	7,409
	10,576	–	–	–	10,576	10,576

	On demand and within 3 months	3 months to 6 months	6 months to 1 year	Over 1 year	Total undiscounted cash flow	Carrying amount
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 December 2024						
Accounts payables, other payables and accruals	1,255	–	–	–	1,255	1,255
Amounts due to directors	1,594	–	–	–	1,594	1,594
Amounts due to related companies	13,469	–	–	–	13,469	13,469
	16,318	–	–	–	16,318	16,318

Fair values measurement of financial instruments

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the Historical Financial Information approximate their fair values.

23. PARTICULARS OF SUBSIDIARIES

During the Relevant Periods, the subsidiaries are as follows:

Name of subsidiary	Place of incorporation/ establishment	Issued and paid up capital	Equity interest attributable to the Target Group as at 31 December 2022	2023	2024	Principal activities
Directly held:						
V Sing International Limited	British Virgin Islands	US$10,000	100%	100%	100%	Investment holding and operation of music platform
Indirectly held:						
V Sing Hong Kong Limited	Hong Kong	HK$10,000	100%	100%	100%	Operation of music platform
VSING TECHNOLOGIES SDN. BHD.	Malaysia	RM100	100%	100%	100%	Providing information technology services

24. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Target Company have been prepared in respect of any period subsequent to 31 December 2024. Save as disclosed in this report, no dividend has been declared or made by the Target Company in respect of any period subsequent to 31 December 2024.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The following is an illustrative unaudited pro forma consolidated statement of assets and liabilities of Worldgate Global Logistics Ltd (the "**Company**") and its subsidiaries (collectively hereinafter referred to as the "**Group**") and V Sing Global Limited (the "**Target Company**") and its subsidiaries (collectively hereinafter referred to as the "**Target Group**") (the Group and the Target Group are collectively referred to as the "**Enlarged Group**") as at 31 December 2024 (the "**Unaudited Pro Forma Financial Information**"), which has been prepared on the basis of the notes set forth below for the purpose of illustrating the effects of the acquisition of 100% equity interest in the Target Company (the "**Acquisition**"), as if the Acquisition had taken place on 31 December 2024.

The Unaudited Pro Forma Financial Information has been prepared based on the audited consolidated statement of financial position of the Group as at 31 December 2024 included in the published annual report of the Company for the year ended 31 December 2024 and the audited statement of financial position of the Target Group as at 31 December 2024 as set out in the Accountant's Report in Appendix II to the circular of the Company dated 30 June 2025 (the "**Circular**") after giving effect to the unaudited pro forma adjustments as described in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared based on a number of assumptions, estimates and uncertainties. Accordingly, the Unaudited Pro Forma Financial Information does not purport to describe the actual financial position of the Enlarged Group that would have been attained had the Acquisition been completed on 31 December 2024. Neither does the Unaudited Pro Forma Financial Information purports to predict the future financial position of the Enlarged Group.

The Unaudited Pro Forma Financial Information should be read in conjunction with the published financial information of the Group as set out in Appendix I to this Circular, the audited financial information of the Target Group as set out in Appendix II to this Circular and other financial information included elsewhere in this Circular.

1. Unaudited Pro Forma Consolidated Statement of Assets and Liabilities of the Enlarged Group

	The Group as at 31 December 2024	The Target Group as at 31 December 2024	The Target Group as at 31 December 2024	Pro forma adjustments	Pro forma Enlarged Group as at 31 December 2024
	RM'000	*HK$'000*	*RM'000*	*RM'000*	*RM'000*
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 4)*	
Non-current assets					
Property, plant and equipment	2,047	333	191		2,238
Right-of-use assets	341	–	–		341
Goodwill	–	–	–	27,326	27,326
Financial assets at fair value through profit or loss	9,562	–	–		9,562
Total non-current assets	11,950	333	191		39,467
Current assets					
Inventories	4,587	–	–		4,587
Trade and other receivables	22,701	7,554	4,342		27,043
Amounts due from related companies	–	9,665	5,556		5,556
Financial assets at fair value through profit or loss	433	–	–		433
Tax recoverable	225	–	–		225
Cash and bank balances	7,433	2,210	1,270		8,703
Total current assets	35,379	19,429	11,168		46,547
Total assets	47,329	19,762	11,359		86,014

	The Group as at 31 December 2024	The Target Group as at 31 December 2024	The Target Group as at 31 December 2024	Pro forma adjustments	Pro forma Enlarged Group as at 31 December 2024
	RM'000	*HK$'000*	*RM'000*	*RM'000*	*RM'000*
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 4)*	
Current liabilities					
Trade and other payables	14,858	1,255	721		15,579
Contract liabilities	1,996	–	–		1,996
Amounts due to directors	–	1,594	916		916
Amounts due to related companies	–	13,469	7,743		7,743
Bank borrowings and overdrafts	2,902	–	–		2,902
Tax payables	75	978	562		637
Lease liabilities	1,188	–	–		1,188
Total current liabilities	21,019	17,296	9,942		30,961
Net current assets	14,360	2,133	1,226		15,586
Total assets less current liabilities	26,310	2,466	1,417		55,053
Non-current liabilities					
Bank borrowings	1,646	–	–		1,646
Lease liabilities	423	–	–		423
	2,069	–	–		2,069
Net assets	24,241	2,466	1,417		52,984

Notes:

(1) The figures are extracted from the audited consolidated statement of financial position of the Group as at 31 December 2024 as set out in the published annual report of the Company for the year ended 31 December 2024.

(2) The figures are extracted from the audited consolidated statement of financial position of the Target Group as at 31 December 2024 which is set out in Appendix II to this Circular.

(3) For the purpose of the Unaudited Pro Forma Financial Information, the consolidated statement of assets and liabilities of the Target Group is translated from HK$ into RM at the exchange rate of HK$1 = RM0.574857 (the exchange rate published by the People's Bank of China on 31 December 2024). Such translation is for illustration purpose only, and does not constitute a representation that any amount has been, could have been, or may otherwise be exchanged or converted, or vice versa, at the above rate.

(4) Notes to the pro forma adjustments:

Under Hong Kong Financial Reporting Standard 3 Business Combinations ("**HKFRS 3**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), the Group will apply the acquisition method to account for the Acquisition in its consolidated financial statements.

In accordance with the sale and purchase agreement, the aggregation consideration (the "**Consideration**") for the Acquisition is HK$50,000,000 (equivalent to RM28,743,000).

For the purpose of preparing the Unaudited Pro Forma Financial Information of the Enlarged Group, the pro forma goodwill arising on the Acquisition as if the Acquisition had been completed as at 31 December 2024 is as follows:

	RM'000
Consideration *(note a)*	28,743
Identifiable assets and liabilities:	
Property, plant and equipment	191
Trade and other receivables	4,342
Amounts due from related companies	5,556
Cash and bank balances	1,270
Trade and other payables	(721)
Amounts due to directors	(916)
Amounts due to related companies	(7,743)
Tax payables	(562)
Net identified assets acquired	1,417
Goodwill arising from the Acquisition	27,326

Goodwill arising from the acquisition of the Target Group represents the excess of the fair value of the consideration to be paid by the Group over the fair value of the identifiable net assets of the Target Group.

Since the fair values of the identifiable net assets of the Target Group as at the date of the completion of the Acquisition may be materially different from their respective values used in the preparation of the Unaudited Pro Forma Financial Information, the final amounts of the assets, liabilities and goodwill to be recognised in connection with the completion of the Acquisition may be materially different from the estimated amounts as shown above, accordingly, this Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and because of its nature, it may not give a true picture of the financial position of the Enlarged Group following the completion of the Acquisition.

For the purpose of preparation of the Unaudited Pro Forma Consolidated Statement of Assets and Liabilities of the Enlarged Group, the Directors consider that no impairment is required in respect of the goodwill arising from the Acquisition taking into account the business potential of the Target Group and other factors as disclosed in the section headed "Reasons for and benefits of the Acquisition" in the "Letter from the Board" in this Circular.

After the completion of the Acquisition, the Group will perform annual impairment test for the cash-generating unit to which the goodwill has been allocated in accordance with the Company's accounting policies and the requirements of Hong Kong Accounting Standard 36 "Impairment of Assets", and the Company's auditors will perform audit procedures thereon in respect of their audit of the consolidated financial statements of the Group for the next financial year in accordance with the requirements of Hong Kong Accounting Standard 36 "Impairment of Assets".

(a) Pursuant to sales and purchase agreement, the consideration for the Acquisition would be satisfied by the Company by way of allotment and issue of a total of 318,000,000 at the issued price of HK$0.157 (the "**Consideration Shares**"). Based on the annual report of the Company for the year ended 31 December 2024, the shares of the Company has a par value of HK$0.10. Therefore, the breakdown of the Consideration Shares would be as follows:

	HK'000	*RM'000*
Share Capital	31,800	18,280
Share Premium	18,200	10,463
	50,000	28,743

Based on the best estimation from the directors of the Company, the fair value of profit guarantee compensation is immaterial. On completion, the fair value will be reassessed based on the upcoming conditions at the date of Completion.

B. ASSURANCE REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of the independent reporting accountants' assurance report received from Elite Partners CPA Limited, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this circular.

elite partners

To the Directors of Worldgate Global Logistics Ltd

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Worldgate Global Logistics Ltd (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**"), and V Sing Global Limited and its subsidiaries (the "**Target Group**") (herein collectively referred to as the "**Enlarged Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 31 December 2024 and related notes as set out on in Appendix III of the circular dated 30 June 2025 (the "**Circular**") issued by the Company (the "**Unaudited Pro Forma Financial Information**") in connection with the acquisition of 100% equity interest in V Sing Global Limited (the "**Target Company**") (collectively referred to as the "**Acquisition**") by the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on page III-1 to III-5 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Acquisition on the Group's financial position as at 31 December 2024 as if the Acquisition had taken place at 31 December 2024. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's audited consolidated statement of financial position of the Group as at 31 December 2024 as set out in the published annual report of the Company for the year ended 31 December 2024. Information about the Target Company's financial position has been extracted by the Directors from the financial information of the Target Company as of 31 December 2024, on which an accountant's report has been published in Appendix II to the Circular.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Rules**") and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in*

Investment Circulars ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our independence and quality management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements*, and *Other Assurance* and *Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the GEM Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Acquisition on unadjusted financial information of the Group as if the Acquisition had taken place at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Acquisition would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Acquisition, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the Acquisition in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 7.31(1) of the GEM Rules.

Elite Partners CPA Limited
Certified Public Accountants
Mr. Siu Jimmy
Practising Certificate Number: P05898
30 June 2025

Set out below is the management discussion and analysis on the Target Group for the two years ended 31 December 2024. The following financial information is based on the audited financial information of the Target Group as set out in Appendix II to this circular.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE TARGET GROUP FOR THE PERIOD FROM THE TWO YEARS ENDED 31 DECEMBER 2024

BUSINESS OVERVIEW

The Target Company is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding and beneficially owns 100% of the entire issued share capital of three subsidiaries which are incorporated with limited liability in the British Virgin Islands, Hong Kong and Malaysia.

Through the subsidiaries, the Target Company is principally engaged in the operation of a global AI-driven social entertainment music platform and solution provider known as "VSING" and transforms physical venues into dynamic performance hubs. It is an interactive entertainment platform that integrates hardware and software to transform the nightlife experience in bars, lounges, and entertainment venues.

FINANCIAL REVIEW

For the period from 12 December 2022 (date of incorporation) to 31 December 2022 (the "Period")

Revenue and loss

The Target Company was incorporated during the Period and did not record any revenue and record total expenses of approximately HK$92,000 as administrative and selling expenses. The Target Group recorded loss for the year of approximately HK$92,000 for the Period.

Liquidity, financial resources, gearing ratio and treasury policy

The Target Group raised approximately HK$78,000 through share issuance. It did not record any loan from directors or bank balances and cash as the Target Company was incorporated during the Period.

As of 31 December 2022, the net liabilities of the Target Group was approximately HK$14,000, in which there were amount due from related companies of approximately HK$6,000 and accounts payables, other payables and accruals of approximately HK$20,000.

The Target Company had a shareholders' deficit and hence gearing ratio was not applicable.

The Target Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The directors review the capital structure on an annual basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on the results of the review of the Directors, the Target Group will balance its overall capital structure through the payment of dividends, raising new share capital as well as the issue of new debt or the redemption of existing debt.

Contingent liabilities

As of 31 December 2022, the Target Group did not have any material contingent liabilities.

Significant investments and material acquisitions and disposals

The Target Company was incorporated as the holding company of V Sing International, V Sing HK and VSING Technologies during the Period through which the VSING business is operated. The Target Company did not have other material acquisitions and disposals.

Capital structure

As of 31 December 2022, the Target Group had total liabilities of approximately HK$20,000, which comprised other payables and accruals. The Target Company was incorporated during the Period and has not commenced operations yet.

Charge on assets

There was no charge on the assets of the Target Group for the Period.

For the year ended 31 December 2023

Revenue and loss

For the year ended 31 December 2023, the Target Group recorded revenue of approximately HK$4,647,000 as revenue derived from operating the VSING social entertainment platform and total expenses of approximately HK$5,767,000 which mainly comprised of administrative and selling expenses which amounted to approximately HK$5,706,000. The Target Group recorded loss for the year of approximately HK$3,039,000.

Liquidity, financial resources, gearing ratio and treasury policy

The Target Group's operations were primarily funded with its own capital and loans provided by its directors. As of 31 December 2023, the net liabilities of the Target Group were approximately HK$3,051,000. The Target Group's bank balances and cash were approximately HK$563,000, its amounts due to directors were approximately HK$1,620,000, amount due to related parties of approximately HK$6,300,000 and trade payables and other payables and accruals were approximately HK$2,656,000.

The Target Group has a shareholders' deficit and hence gearing ratio was not applicable.

The Target Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The directors review the capital structure on an annual basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on the results of the review of the Directors, the Target Group will balance its overall capital structure through the payment of dividends, raising new share capital as well as the issue of new debt or the redemption of existing debt.

Contingent liabilities

As of 31 December 2023, the Target Group did not have any material contingent liabilities.

Significant investments and material acquisitions and disposals

The Target Group acquired plant and equipment of approximately HK$98,000 and advance to related parties in the amount of approximately HK$5,629,000.

Capital structure

As of 31 December 2023, the Target Group had total liabilities of approximately HK$10,635,000, which mainly comprised of trade payables, other payables and accruals in the amount of approximately HK$2,656,000, amount due to related parties of approximately HK$6,300,000 and amount due to directors of approximately HK$1,620,000 and total shareholders' deficit of approximately HK$3,051,000. The amounts due to directors are unsecured, interest-free, and repayable on demand.

The shareholders' deficit was mainly due to the other payables and accruals in the amount of approximately HK$8,409,000 incurred in the course of its business operation.

Charge on assets

There was no charge on the assets of the Target Group for the year ended 31 December 2023.

For the year ended 31 December 2024

Revenue and expense

For the year ended 31 December 2024, the Target Group recorded revenue of approximately HK$16,897,000, representing an approximately 72.5% increase as compared to the revenue recorded for the same period in 2023 of approximately HK$4,647,000. The revenue was mainly attributed to the increased in revenue arising from the operation of the VSING platform as it gets traction and popularity.

The Target Group's total expenses amounted to approximately HK$7,469,000 for the year ended 31 December 2024. Its expenses mainly comprised of administrative and selling expenses which amounted to approximately HK$6,570,000.

The Target Group's total expenses increased by approximately 12.2% as compared to the same period in 2023, primarily due to the increase in income tax of approximately HK$860,000 which was in line with the increased revenue recorded by the Target Group.

The Target Group turned a loss of approximately HK$3,039,000 for the year ended 31 December 2023 to a profit of approximately HK$6,201,000 for the year ended 31 December 2024.

Liquidity, financial resources, gearing ratio and treasury policy

The Target Group's operations were primarily funded with its own capital and loans provided by its directors. As of 31 December 2024, the net assts of the Target Group were approximately HK$3,140,000. The Target Group's bank balances and cash were approximately HK$2,210,000, its amounts due to directors were approximately HK$1,594,000 and trade payables and other payables and accruals were approximately HK$1,255,000. The financial position of the Target Group turned from net liabilities for the year ended 31 December 2023 to net assets for the year ended 31 December 2024 mainly due to a significant increase in account receivables, other receivables, deposits and prepayment, amount due from related parties and bank balance and cash as compared to the year ended 31 December 2023 by approximately 78.2%, 89.2%, 46.2% and 74.5%, respectively.

As at 31 December 2024, the Target Group only recorded current liabilities and so the gearing ratio was inapplicable.

The Target Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The directors review the capital structure on an annual basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on the results of the review of the Directors, the Target Group will balance its overall capital structure through the payment of dividends, raising new share capital as well as the issue of new debt or the redemption of existing debt.

Contingent liabilities

As of 31 December 2024, the Target Group did not have any material contingent liabilities.

Significant investments and material acquisitions and disposals

The Target Group acquired plant and equipment of approximately HK$298,000 and advance to related parties in the amount of approximately HK$4,835,000.

Capital structure

As of 31 December 2024, the Target Group had total liabilities of approximately HK$17,481,000, which mainly comprised of trade payables, other payables and accruals in the amount of approximately HK$1,255,000 and amount due to directors of approximately HK$1,594,000 and amount due to related parties of approximately HK$13,654,000. The amounts due to directors are unsecured, interest-free, and repayable on demand.

Charge on assets

There was no charge on the assets of the Target Group as at 31 December 2024.

Employees and remuneration policy

As at 31 December 2024, the Target Group had approximately 20 employees. As at 31 December 2024, the Target Group's staff costs primarily consisted of salaries and other allowances of approximately HK$2,061,000.

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As of 31 December 2024, the Target Group did not have any future plan for material investments or capital assets.

FOREIGN EXCHANGE EXPOSURE

The business of the Target Group operates internationally and is therefore subject to certain foreign exchange exposure arising from currency fluctuation. Since the incorporation of the Target Company on 12 December 2024 and for the 2 financial years ended 31 December 2024, the Target Group experienced minimal fluctuations in currency exchange rates with a recorded gain and loss of approximately HK2,000 and HK$10,000 respectively from exchange rate changes.

INTERNATIONAL VALUATION LIMITED
國際評估有限公司

June 30, 2025

The Board of Directors
WORLDGATE GLOBAL LOGISTICS LTD
Unit 5D, 5/F, Hang Cheong Factory Building
No.1 Wing Ming Street
Kowloon, Hong Kong

Dear Sir and Madam,

International Valuation Limited ("**IVL**") has concluded its analysis on the 100% equity interest in V Sing Global Limited (the "**Target Company**") and its subsidiaries (the "**Target Group**"). The purpose of this engagement is to estimate the market value of the 100% equity interest in the Target Group as of December 31, 2024 (the "**Valuation Date**").

Our work is designed solely to assist the management (the "**Management**") of Worldgate Global Logistics Ltd (the "**Company**") and its subsidiaries (together as the "**Group**") to determine the market value of the 100% equity interest in the Target Group as of the Valuation Date for major transaction reference purpose.

This report states our scope of work and purpose of appraisal, identifies the business appraised, economic overview, describes the basis and methodology of our appraisal, investigation and analysis, major assumptions and limiting conditions, and presents our opinion of value.

PURPOSE OF APPRAISAL

IVL acknowledges that this report is prepared solely to assist the Management to determine the market value of the 100% equity interest in the Target Group as of the Valuation Date. We understand that this report would be made available for major transaction reference purpose only. No other use of our valuation report is intended or should be inferred.

We assume no responsibility whatsoever to any person other than the Group in respect of, or arising out of, the contents of this report. If others chose to rely in any way on the contents of this report they do so entirely on their own risk.

DEFINITION OF VALUE

The report was prepared in accordance with International Valuation Standards 2025. In estimating the market value of the equity interest appraised under this engagement, our efforts will be based on the following description of market value: "*Market Value is the estimated* *amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*". Unless otherwise noted, the market value of the 100% equity interest in the Target Group is determined on controlling shares and going concern bases.

SCOPE OF THE ENGAGEMENT

Our services included performing a valuation on the equity interest of the Target Group as of the Valuation Date.

In the process of the valuation under this engagement, we relied on business and financial information of the Target Group provided by the Management or obtained from public sources, if any. The procedures used in our analysis included such substantive steps, as we considered necessary, including, but not necessarily limited to, the following:

- Discussions with the Management concerning the history and future operations of the Target Group;
- Discussions with the Management to obtain an explanation and clarification of data provided;
- Development of valuation model to value the Target Group, including gathering market and industry information in support of various assumptions;
- Discussions with the Management to:
  - Understand in more detail of the Target Group;
  - Gain a more thorough understanding of the nature and operations of the Target Group including the estimated market trends;
- Analysis of the conditions and economy for the territory in which the Target Group operates; and
- Analysis of other facts and data considered pertinent to this valuation to arrive at a conclusion of the equity value of the Target Group.

In the course of our valuation, we used financial and other information provided by the Management. We also used financial and other information obtained from private and public sources we considered reliable, and our conclusions are dependent on such information as being complete and accurate in all material respects.

This valuation report comprises:

A. This letter, which describes the nature and extent of the valuation investigation, and presents the conclusion of value; and

B. A narrative report, which sets forth the history and nature of the operations, a description of valuation theory, and a presentation and correlation of the valuation techniques employed, and the conclusion of value.

SOURCES OF INFORMATION

As part of our due diligence, we relied upon information and documents furnished to us by the Management, including the following:

- General descriptions and background of the Target Group;
- Shareholding structure chart of the Target Group;
- Share purchase agreement entered into by the Group in relation to the acquisition of 100% equity interest in the Target Group; and
- Consolidated financial statements of the Target Group for the year ended December 31, 2024.

Other information regarding the economy, as well as additional financial data was obtained from sources deemed to be reliable. In addition, we have discussed with the Management concerning the financial and general outlook of the Target Group.

In the course of our valuation, we relied on the financial and other information provided by the Management, and have considered such information and data as attainable and reasonable. We have no reason to believe that any material facts have been withheld from us, however, we do not warrant that our investigations have revealed all of the matters, which an audit or more extensive examination might disclose.

We also used financial and other information obtained from private and public sources we considered reliable, and our conclusions are dependent on such information as being complete and accurate in all material respects.

CONCLUSION

Based on the information provided and the analysis conducted, and subject to the Major Assumptions and Statement of Limiting Conditions, our opinion of the market value of the 100% equity interest in the Target Group as of December 31, 2024 is reasonably represented in the amount of approximately, **HONG KONG DOLLARS FIFTY SEVEN MILLION FOUR HUNDRED THOUSAND ONLY (HK$57,400,000).**

We appreciate the opportunity to provide our valuation services. Please do not hesitate to contact us if you have any questions or if we can be of further assistance concerning this engagement. A copy of this report is retained in our files together with the data from which it was prepared.

Respectfully submitted,
International Valuation Limited

1. INTRODUCTION

Description of the Assignment

International Valuation Limited (**"IVL"**) has concluded its analysis on the 100% equity interest in V Sing Global Limited (the "**Target Company**") and its subsidiaries (the "**Target Group**"). The purpose of this engagement is to estimate the market value of the 100% equity interest in the Target Group as of December 31, 2024 (the "**Valuation Date**").

Our work is designed solely to assist the management (the "**Management**") of Worldgate Global Logistics Limited (the "**Company**") and its subsidiaries (together as the "**Group**") to determine the market value of the 100% equity interest in the Target Group as of the Valuation Date for major transaction reference purpose.

The report was prepared in accordance with International Valuation Standards 2025. In estimating the market value of the equity interest appraised under this engagement, our efforts will be based on the following description of market value: "*Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*". Unless otherwise noted, the market value of the 100% equity interest in the Target Group is determined on controlling shares and going concern bases.

The procedures used in our analysis included such substantive steps, as we considered necessary, including, but not necessarily limited to, the following:

- Discussions with the Management concerning the history and future operations of the Target Group;
- Discussions with the Management to obtain an explanation and clarification of data provided;
- Development of valuation model to value the Target Group, including gathering market and industry information in support of various assumptions;
- Discussions with the Management to:
  - Understand in more detail of the Target Group;
  - Gain a more thorough understanding of the nature and operations of the Target Group including the estimated market trends;
- Analysis of the conditions and economy for the territory in which the Target Group operates; and

- Analysis of other facts and data considered pertinent to this valuation to arrive at a conclusion of the equity value of the Target Group.

In the course of our valuation, we used financial and other information provided by the Management. We also used financial and other information obtained from private and public sources we considered reliable, and our conclusions are dependent on such information as being complete and accurate in all material respects.

Sources of Information

As part of our due diligence, we relied upon information and documents furnished to us by the Management, including the following:

- General descriptions and background of the Target Group;
- Shareholding structure chart of the Target Group;
- Share purchase agreement entered into by the Group in relation to the acquisition of 100% equity interest in the Target Group; and
- Consolidated financial statements of the Target Group for the year ended December 31, 2024.

Other information regarding the economy, as well as additional financial data was obtained from sources deemed to be reliable. In addition, we have discussed with the Management concerning the financial and general outlook of the Target Group.

In the course of our valuation, we relied on the financial and other information provided by the Management, and have considered such information and data as attainable and reasonable. We have no reason to believe that any material facts have been withheld from us, however, we do not warrant that our investigations have revealed all of the matters, which an audit or more extensive examination might disclose.

We also used financial and other information obtained from private and public sources we considered reliable, and our conclusions are dependent on such information as being complete and accurate in all material respects.

2. PURPOSE OF APPRAISAL

IVL acknowledges that this report is prepared solely to assist the Management to determine the market value of the 100% equity interest in the Target Group as of the Valuation Date. We understand that this report would be made available for major transaction reference purpose only. No other use of our valuation report is intended or should be inferred.

We assume no responsibility whatsoever to any person other than the Group in respect of, or arising out of, the contents of this report. If others chose to rely in any way on the contents of this report they do so entirely on their own risk.

3. OVERVIEW OF THE TARGET GROUP

Business Descriptions

The Target Company is an investment holding company incorporated in the British Virgin Islands with limited liability. As of the Valuation Date, the Target Company directly owns 100% equity interest in V Sing International Limited.

V Sing International Limited is a company incorporated in the British Virgin Islands with limited liability and it is principally engaged in investment holding. As of the Valuation Date, V Sing International Limited directly owns 100% equity interest in V Sing Hong Long Limited and VSING TECHNOLOGIES SDN. BHD..

V Sing Hong Kong Limited is a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of V Sing International Limited. VSING TECHNOLOGIES SDN. BHD. is a company incorporated in Malaysia with limited liability and a wholly-owned subsidiary of V Sing International Limited.

The Target Company and its subsidiaries are collectively referred to as the Target Group in the valuation.

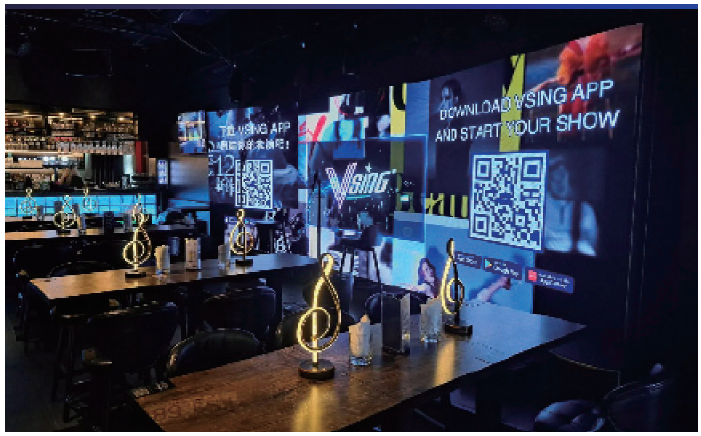
Through V Sing Hong Kong Limited and VSING TECHNOLOGIES SDN. BHD., the Target Group is principally engaged in the operation of social entertainment platform known as "VSING" that utilizes modern technologies to enhance the experiences of audiences and karaoke singers/performers in their leisure and entertainment activities.

Based on the official webpage of the Target Group, four outlets have been operating in Hong Kong as of the Valuation Date, namely VSING Beats, VSING Knutsford, VSING Prince Edward, and VSING Ponglive, through franchise or subscription. As advised by the Management, the Target Group will have a new self-operated outlet in Central, Hong Kong, which is expected to open in the third quarter of 2025. Photos of the four existing outlets are as follows:

VSING Beats, in Tsim Sha Tsui

VSING Knutsford, in Tsim Sha Tsui

VSING Prince Edward, in Prince Edward



VSING Ponglive, in Tsim Sha Tsui

Source: Official website of VSING Hong Kong Ltd, https://vsinghk.com/outlets/

4. ECONOMIC OVERVIEW

Overview of Hong Kong Economy

POLITICAL STABILITY: The Chief Executive of Hong Kong, Mr. John Lee, delivered the 2024 Policy Address on October 16, 2024. The Policy Address has set out a range of strong measures aiming to enhance Hong Kong's competitiveness in various aspects and to strengthen sustainable economic growth. In addition to consolidating Hong Kong's traditional industries, the government is also actively exploring new growth areas, such as developing Hong Kong into an international gold trading market with commodity trading ecosystem and establishing a $10 billion Innovation and Technology Industry-Oriented Fund in relation to the development of low-altitude economy.

ECONOMIC GROWTH: The Hong Kong economy continued to recover post-pandemic at a moderated pace. Real gross domestic product ("**GDP**") grew by 2.5% in 2024. Under a more challenging external environment, Hong Kong's economy is expected to maintain its growth momentum with the upcoming development plans. Besides, with further monetary easing by major central banks and the mainland's economic stimulation measures, the market sentiment and consumption activities could be boosted.

INFLATION: Based on the Census and Statistics Department, the annual inflation rate in Hong Kong grew by 1.4 percent in December 2024 over the same month a year earlier, the same as that in November 2024. In the monthly report on the Consumer Price Index ("**CPI**"), after netting out the effects of all Hong Kong government's one-off relief measures, the year-on-year rate of increase in the composite CPI (i.e. the underlying inflation rate) in December 2024 was 1.3%, which was slightly larger than that in November 2024 (1.2%). Amongst the various components of the composite CPI, year-on-year increases in prices were recorded in December 2024 for alcoholic drinks and tobacco, electricity, gas and water, miscellaneous services, transport, meals out and takeaway food, miscellaneous goods, and housing. For 2024 as a whole, the composite CPI was 1.7% higher than that in 2023.

EXCHANGE RATE: Hong Kong Dollar had strengthened to HK$7.7686: USD1 on December 31, 2024 from HK$7.8115: USD1 on a year ago.

EXTERNAL SECTOR: According to Census and Statistics Department, for 2024 as a whole, the value of total exports of goods increased by 8.7% over 2023 to HK$4,542,371 million. Concurrently, the value of imports of goods increased by 6.0% to HK$4,922,101 million. Hence, a visible trade deficit of HK$379,730 million, equivalent to 7.7% of the value of imports of goods, was recorded in 2024. For 2024, year-on-year increases were recorded in the values of total exports of some principal commodity divisions, in particular "electrical machinery, apparatus and appliances, and electrical parts thereof" and "office machines and automatic data processing machines". For import side, year-on-year increases were recorded in the values of imports of some principal commodity divisions, in particular "electrical machinery, apparatus and appliances, and electrical parts thereof" and "office machines and automatic data processing machines".

According to the latest Hong Kong Economic Situation released by the government of the Hong Kong Special Administrative Region, the Hong Kong economy is forecasted to grow by 2% to 3% in 2025.

5. DEFINITION OF VALUE

The report was prepared in accordance with International Valuation Standards 2025. In estimating the market value of the equity interest appraised under this engagement, our efforts will be based on the following description of market value: "*Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*". Unless otherwise noted, the market value of the 100% equity interest in the Target Group is determined on controlling shares and going concern bases.

6. GENERAL VALUATION OVERVIEW

The methods commonly used to develop approximate indications of value for a business or assets are the Income, Market, and Cost Approaches.

Income Approach

The Income Approach focuses on the income-producing capability of a business or asset. The Income Approach measures the current value of a business or asset by calculating the present value of its future economic benefits such as cash earnings, cost savings, tax deductions, and proceeds from disposition. Value indications are developed by discounting expected cash flows to their present value at a rate of return that incorporates the risk-free rate for the use of funds, the expected rate of inflation, and risks associated with the particular investment. The discount rate selected is generally based on rates of return available from alternative investments of similar type and quality as of the valuation date.

Market Approach

The Market Approach measures the value of a business or asset through an analysis of recent sales or offerings of comparable businesses or assets. Adjustments are made to account for differences between the subject business or asset being valued and the comparable businesses or assets used in the analysis.

Cost Approach

The Cost Approach measures the value of a business or asset by the cost to reconstruct or replace it with another of like utility. To the extent that the assets being valued provide less utility than new assets, the reproduction or replacement cost new would be adjusted to reflect appropriate physical deterioration, functional obsolescence, and economic obsolescence. The Cost Approach recognizes that a prudent investor would not ordinarily pay more for property or an asset than the cost to replace them new.

Selected Approach

In developing our opinions, we considered all three approaches to value for the asset types and chose the most appropriate approach or approaches for each. Our conclusions rely on the approaches judged to be most appropriate for the purpose and scope of our analysis, as well as the nature and reliability of the data available to us.

In estimating the market value of the equity interest in the Target Group, we relied primarily on the Market Approach. Under the Market Approach, we relied on the trading multiples of publicly traded guideline companies of the Target Group. The Market Approach benchmarked the Target Group's equity value to the publicly trading entities by looking into their financial performances. Not only could the Market Approach reflect the current market's investment preferences or investment habitat, but also provide up-to-date public market information allowing the Management to make a more informative decision.

The Cost Approach was not adopted as it may not be able to reflect the expected future economic benefits of an income-generating business. The Income Approach is also not adopted since prospective financial projection at market participants' point of view, which is subject to a number of assumptions and contingent factors, was not reliably available.

7. ESTIMATION OF THE MARKET VALUE OF 100% EQUITY INTEREST IN THE TARGET GROUP

Introduction

In this section of our report, we describe our valuation analysis utilized to arrive at a concluded market value of the 100% equity interest in the Target Group.

Valuation Approach

The Market Approach uses direct comparisons to other enterprises and their equity securities to estimate the market value of the common shares of privately issued securities. The Market Approach bases the market value measurement on what other similar enterprises or comparable transactions indicate the value to be. Under this approach, investment by unrelated parties in comparable equity securities of the subject enterprise or transactions in comparable equity securities of comparable enterprises is examined. One commonly used "market comparables" method is the guideline public company method.

To adopt the guideline public company method under the Market Approach, we have to determine the appropriate valuation multiples of comparable companies, in which we have considered enterprise value-to-sales ("**EV/Sales**"), price-to-sales ("**P/S**"), enterprise value-to-earnings before interest, tax, depreciation and amortization ("**EV/EBITDA**"), price-to-earnings ("**P/E**") and price-to-book ("**P/B**") multiples.

EV/Sales and P/S multiples were not adopted since these multiples could not take into account of the differences in cost structure and profit margin between the Target Group and the comparable companies. P/B multiple was not adopted because book value does not necessarily reflect the profitability or the earning capability of Target Group, and the Target Group did not possess significant fixed assets as of the Valuation Date. EV/EBITDA multiple was preferred over P/E multiple since it could capture the differences in capital structure (i.e. net cash/(debt)) between the Target Group and comparable companies. Also, EV/EBITDA multiple could adjust for the differences in taxes and non-cash items such as depreciation and amortization between the Target Group and comparable companies. Therefore, we have employed EV/EBITDA multiple in the valuation for the Target Group as of the Valuation Date.

Despite the Target Group's relatively shorter operating history in Hong Kong compared to comparable companies in their respective geographical operation locations, four existing outlets have been operating in Hong Kong as of the Valuation Date since 2023 and continues to develop and expand its business onwards. It is generally considered as the Target Group is in its growth stage of its business development and operations. This is evidenced by the fact that the Target Group has recorded a significant growth in the revenue for the year ended December 31, 2024, as compared to that for the financial year ended 2023. As advised by the Management, the increase in revenue was mainly attributed to the increased in revenue arising from the operation of the VSING entertainment venues and platforms in Hong Kong as it gets traction and popularity. As such, the selection of EV/EBITDA multiple is a particularly useful and relevant valuation multiple for a growth stage company that has recently turned profitable after prior losses. This valuation multiple focuses on the operating performance of the Target Group as of the Valuation Date and for future, and earnings before interest, taxes, depreciation & amortization ("**EBITDA**") strips out non-operational distortions (e.g., high depreciation and amortization expenses from past initial capital expenditures, interest costs from different financing activities, and different taxation impacts), providing a clearer view of underlying business profitability and makes it easier to compare with its peers and comparable companies. Additionally, the Management has advised that, pursuant to the sale and purchase agreement of the acquisition of the Target Group, the vendors jointly and severally guarantee that the net profit after tax for the financial year ending December 31, 2025, shall not be less than HK$7,800,000. As advised by the Management, the unaudited management accounts of the Target Group for the first half of 2025 indicate continued growth in EBITDA, validating the scalability and durability of its business model. The Target Group has reached agreements with over 60 international outlets which are expected to commence operation by the end of 2025, the profitability and operations of the Target Group is expected to grow as estimated by the Management in the following financial year. By excluding any non-recurring other income/(losses), it is expected that the latest 12-month normalized EBITDA of the Target Group is considered a reliable basis for estimating the market value of the Target Group as of the Valuation Date. Further, given there are historical profitable financial performance figures available as of the Valuation Date for a meaningful valuation metric comparison, it is not representative and fair not to consider those performance figures by a meaningful and valid valuation multiple, for instance, EV/EBITBA multiple, for the valuation of a subject asset as of that Valuation Date.

The selection of guideline companies is by understanding the principal business of the valuation target and search for public companies with businesses as similar with the valuation target as possible. Generally speaking, companies in the same geographical location are preferred, followed by expansion to other geographical locations if same geographic location yield no meaningful results.

As advised by the Management, the revenue of the Target Group for the year ended December 31, 2024 can be classified into two segments:

- Business-to-Business ("**B2B**") segment - Approximately 72% of the revenue was generated from software-as-a-service ("**SaaS**") and B2B business model with integration of hardware and software for enterprise clients in the entertainment field (i.e. integration of VSING System for karaoke operators) as venue transformation solutions. The technology and software offered by the Target Group are with AI-powered features (e.g. vocal enhancer, social assistant, VR concert experiences, etc.) for immersive audio-visual experience. Upfront franchise fee and monthly fee for technical support, maintenance and management would be charged by the Target Group for the use of the VSING System; and

- Business-to-Consumer ("**B2C**") segment - Approximately 28% of the revenue was generated from digital revenue, through mobile application subscriptions, livestream monetization, virtual gifting and marketplace transactions, etc., under the B2C business model. The Target Group provides the VSING mobile applications or on-site systems to end consumers for real-time interaction, live streaming, sending digital gifts and tipping to karaoke singers and other users of the VSING System and participating in games at the social entertainment venues.

We searched for listed companies with business scopes and operations similar to those of the Target Group as comparable companies on best-effort basis with reference to the following selection criteria, for each segment of the Target Group respectively:

B2B Segment

- The companies are principally engaged in the SaaS business and providing hardware and software integration B2B services to enterprise clients, in which the technology and software provided are applied in the entertainment field for venue transformation with interactive and immersive experience, which are close to the Target Group's B2B segment;

- The companies are primarily operating in developed countries or regions;

- The companies have pertinent operating histories and are listed on stock exchanges as of the Valuation Date;

- The companies have positive enterprise value and positive EBITDA based on the latest available financial statements as of the Valuation Date; and

- The financial information and relevant multiple of the companies are available to the public.

B2C Segment

- The companies are principally engaged in digital monetization in social entertainment platform, through mobile application subscriptions, live streaming, virtual/digital gifting and tipping, and marketplace transactions, which is close to the Target Group's B2C segment;

- The companies are primarily operating in Asia;

- The companies have pertinent operating histories and are listed on stock exchanges as of the Valuation Date;

- The companies have positive enterprise value and positive EBITDA based on the latest available financial statements as of the Valuation Date; and

- The financial information and relevant multiple of the companies are available to the public.

Based on our thorough and best-effort search of the comparable companies using the Bloomberg terminal, we are not aware of any listed companies operating in Hong Kong that met the principal business criteria for each segment of the Target Group. Considering a reasonable sample size of comparable companies and availability of market data for this valuation, we have deployed selection criteria which covers broader geographical areas of operation.

For the B2C segment, we identified four comparable companies primarily operating in Asia. However, for the B2B segment, there are only three limited samples of comparable companies primarily operating in Asia. Consequently, we further extended our search to include comparable companies from developed countries and regions worldwide for the B2B segment.

Furthermore, as mentioned in the business development plan of the Target Group, it plans to expand the business of VSing to South Korea, USA, Canada, Singapore and some other Asian countries in the next two years. Therefore, it is not unreasonable and not unfair to consider any other comparable companies in the Target Group's territorial expansion geographical areas, given the scarce number of comparable companies operating in Hong Kong and the necessity to closely match the niche business models of each segment of the Target Group. Hence, we consider the selection criteria on geographical locations are representative and reasonable for the valuation of the Target Group.

In addition, there is no apparent direct relationship observed between the valuation multiples, including but not limited to the EV/EBITDA multiple, and the length of operating history, profitability or market capitalisation respectively of the comparable companies. There is also a potential risk that any additional selection criteria/cut-off points or adjustments to be applied, in terms of the length of operating history, profitability or size of market capitalisation, might be subjective, causing a biased or misleading result. Hence, those factors regarding the length of operating history, profitability or size of market capitalisation of the comparable companies were not considered as our selection criteria, based on the above considerations.

We are not aware of any other comparable companies satisfying the selection criteria but not selected in our valuation. Hence, the comparable companies adopted are considered exhaustive based on our best-effort research analysis.

The following tables present the business descriptions and key financial figures of the comparable companies adopted in the valuation of 100% equity interest in the Target Group:

B2B Segment

Comparable Companies	Business Descriptions
GOLFZON Co., Ltd. (215000 KS Equity)	GOLFZON Co., Ltd. manufactures and sells screen golf simulators. The company develops software application as well as the hardware used in these screen golf simulators.
Brogent Technologies Inc. (5263 TT Equity)	Brogent Technologies Inc. provides software development services. The company offers software-based solutions including user interfaces, and multimedia applications for Internet, telecommunication, consumer electronics and entertainment applications. Brogent develops and implements multimedia into devices such as smart phones, digital cameras, and digital music players.
IMAX Corp (IMAX US Equity)	IMAX Corporation offers end-to-end cinematic solution combining proprietary software, theater architecture, and equipment. The company designs and manufactures premium theater systems and digitally re-masters films into the IMAX format and the exhibition of those films in the IMAX theater network.

Comparable Companies	Business Descriptions
D-BOX Technologies Inc. (DBO CN Equity)	D-Box Technologies Inc. designs, manufactures and markets motion systems intended mainly for the entertainment and industrial simulation industries. The company's patented technology uses motion effects specifically programmed for each visual content which are sent to a motion system integrated into either a platform or a seat.
Dolby Laboratories Inc. (DLB US Equity)	Dolby Laboratories Inc. develops audio signal processing systems for the motion picture, broadcasting, and music recording industries, as well as the consumer market.
Barco N.V. (BAR BB Equity)	Barco N.V. designs and develops visualization solutions. The company offers monitors, video walls, projectors, light-emitting diode displays, image processing, and visual display systems. Barco serves healthcare, oil and gas, automotive, defense, aerospace, media, and digital cinema industries worldwide.
GENDA Inc. (9166 JP Equity)	GENDA Inc. operates entertainment businesses. The company provides amusement machine leasing, online crane games, sales promotions, and character licensing, and other services. GENDA also provides digital transformation, mergers and acquisitions financial services, and more.

Source: Bloomberg

B2C Segment

Comparable Companies	Business Descriptions
Newborn Town Inc. (9911 HK Equity)	Newborn Town Inc. engages in social networking business. The company produces audio and video social products and applications. Newborn Town also develops and markets handheld niche games.
SOOP Co., Ltd. (067160 KS Equity)	SOOP Co., Ltd. offers new media platform services. The company provides digital media storage, streaming, downloading, video on demand, advertising services, and other services. SOOP offers services in South Korea.
Inkeverse Group Ltd (3700 HK Equity)	Inkeverse Group Limited designs and develops software solutions. The company offers an interactive social platform that enable users to communicate, interact, and share their knowledge and skills. Inkeverse Group serves customers in China and Hong Kong.
Scienjoy Holding Corp (SJ US Equity)	Scienjoy Holding Corporation provides software solutions. The company offers a live entertainment mobile streaming platform using cutting-edge technology and high-quality-content-creating applications.

Source: Bloomberg

B2B Segment

Comparable Companies	Reporting Currency ("RC")	Listing Date	Market Capitalization	Total Asset	LTM Revenue	LTM Net Profit
			As of the Valuation Date			
			HKD million	*RC million*	*RC million*	*RC million*
GOLFZON Co., Ltd. (215000 KS Equity)	KRW	Apr 3, 2015	2,163	665,499	619,981	49,807
Brogent Technologies Inc. (5263 TT Equity)	TWD	Dec 18, 2012	2,425	5,449	1,392	73
IMAX Corp (IMAX US Equity)	USD	Jun 9, 1994	10,476	830	352	26
D-BOX Technologies Inc. (DBO CN Equity)	CAD	Feb 14, 2000	167	28	44	4
Dolby Laboratories Inc. (DLB US Equity)	USD	Feb 16, 2005	58,003	3,159	1,315	263
Barco N.V. (BAR BB Equity)	EUR	Jul 1, 2020	7,828	1,229	947	63
GENDA Inc. (9166 JP Equity)	JPY	Jul 28, 2023	9,721	106,487	94,516	3,509

Source: Bloomberg

Note: LTM denotes latest twelve (12)-month

B2C Segment

Comparable Companies	Reporting Currency ("RC")	Listing Date	Market Capitalization	Total Asset	LTM Revenue	LTM Net Profit
			As of the Valuation Date			
			HKD million	*RC million*	*RC million*	*RC million*
Newborn Town Inc. (9911 HK Equity)	HKD	Dec 31, 2019	5,249	3,813	5,518	521
SOOP Co., Ltd. (067160 KS Equity)	KRW	Dec 19, 2003	5,507	715,725	413,178	101,212
Inkeverse Group Ltd (3700 HK Equity)	HKD	Jul 12, 2018	4,437	5,930	7,425	195
Scienjoy Holding Corp (SJ US Equity)	USD	Feb 5, 2019	332	193	189	6

Source: Bloomberg

Note: LTM denotes latest twelve (12)-month

B2B Segment

GOLFZON Co., Ltd. (215000 KS Equity) is specializing in the manufacture and sale of golf simulators and related software. It offers integrated hardware and software solutions for indoor golf venues, including simulators with advanced 3D graphics, swing analysis, and networked multiplayer features. GOLFZON targets commercial venues (e.g., entertainment centres, clubhouses, casinos) and home users, enabling venue transformation with immersive experiences. The business model includes hardware sales combined with software services and content subscriptions.

Brogent Technologies Inc. (5263 TT Equity) is specializing in the development and integration of hardware and software solutions for amusement and entertainment venues (B2B). It provides interactive attractions, VR/AR systems, and immersive entertainment technologies, e.g. flying theatres, motion simulators, VR dark rides. Brogent offers turnkey solutions including system design, installation, and maintenance for theme parks, museums, and commercial entertainment venues.

IMAX Corporation (IMAX US Equity) is a global entertainment technology company that designs and licenses proprietary cinema projection systems, immersive sound systems, and content remastering technology. It provides hardware and software integration services to theatres worldwide, enhancing the audiovisual experience through large-format, immersive cinema technology. IMAX offers technology licensing, system installation, and ongoing support, as well as digital content distribution and maintenance services.

D-BOX Technologies Inc. (DBO CN Equity) is specializing in motion and haptic effects technology for entertainment venues, including cinema chains, gaming companies, and simulation providers, etc. It designs and licenses hardware and software that synchronize motion seats with audiovisual content to enhance immersion in cinemas, gaming, and simulation environments. D-BOX provides B2B solutions including system integration, content synchronization software, and maintenance services.

Dolby Laboratories Inc. (DLB US Equity) develops audio, imaging, and voice technologies for entertainment, communication, and enterprise markets. It licenses its proprietary technologies and software platforms to device manufacturers, content creators, and venues. Dolby provides software and hardware solutions for immersive sound and visual experiences. Its revenue mainly comes from licensing fees for software and technology IP, including Dolby Atmos and Dolby Vision, for cinemas, home entertainment, and mobile devices.

Barco N.V. (BAR BB Equity) is a global technology company specializing in professional visualization and collaboration B2B solutions. Through an integrated portfolio of hardware, software, and managed services, Barco delivers immersive experiences for enterprise clients across entertainment, enterprise and healthcare sectors. In the entertainment sector, Barco enables venue transformation through projection systems, LED displays, and cloud-based control platforms that support interactive and immersive experiences. Barco has been evolving from a hardware-centric company to a solutions partner, investing in cloud-based services, IoT-enabled device management, and integrated software platforms, and management suites for audio-visual and immersive systems. These offerings support remote monitoring, collaboration, and immersive content delivery, especially in high-end venues like cinemas, themed entertainment (such as museums and theme parks), and live event spaces.

GENDA Inc. (9166 JP Equity) is a Japan-based company principally engaged in the entertainment platform business, focused on the development and modernization of amusement venues such as arcades, karaoke centres, and interactive entertainment spaces. Through strategic merger and acquisition and operational innovation, GENDA transforms physical entertainment venues by integrating digital content, immersive experiences, and customer engagement technologies. It invests in technology-driven upgrades and interactive experiences within its own venues, and leverages in-house engineering and digital tools to enhance venue operations and user experiences. GENDA engages in B2B relationships in the form of amusement machine leasing to other operators, online crane games, character licensing and IP collaborations with entertainment brands. Through its subsidiary, the group also is engaged in the planning, production, and sales and rental of various “interactive contents” based on visual images, such as interactive theatre attractions, VR attractions, and interactive games, mainly in the location entertainment business, and it has excellent technological capabilities in handling MX4D® programs for Japanese films released in Japan.

All the above seven companies are principally engaged in providing integrated hardware and software solutions to enterprise clients (i.e. B2B model) in the entertainment field, focusing on venue transformation for immersive experience. They combine SaaS elements (software platforms and content services) with hardware sales and integration services. Hence, we are of the view that they are fair and comparable to the B2B segment of the Target Group.

B2C Segment

Newborn Town Inc. (9911 HK Equity) is a global social entertainment company focused on pan-audience social networking and niche game-related innovative businesses. It operates multiple social media and entertainment apps, leveraging AI technology to enhance user experience and expand its market reach. The company also engages in social e-commerce and gaming. Its major revenue came from its social networking business, which includes revenues from mobile app subscriptions, livestreaming, virtual gifting, and other social entertainment monetization.

SOOP Co., Ltd, (067160 KS Equity), formerly AfreecaTV Co., Ltd., operates AfreecaTV – a major live streaming platform in South Korea. It is primarily engaged in developing and operating social entertainment platforms, and supports real-time live streaming, e-sports broadcasting, and monetization through virtual gifts, subscriptions, and advertising. It monetizes social interactions and content through digital means.

Inkeverse Group Ltd (3700 HK Equity) is specializing in social entertainment platforms, particularly mobile live streaming and social networking apps. It provides interactive entertainment services including live video streaming and digital social interactions. It focuses on growing its user base and monetizing social engagement through digital platforms.

Scienjoy Holding Corp (SJ US Equity) is operating social entertainment platforms that focus on mobile live streaming, social networking, and interactive entertainment content. It offers services that enable users to engage in live video broadcasts, virtual gifting, and social interactions. It also operates marketplace transactions within its platforms to enhance user engagement and monetization.

All the above four companies are principally engaged in digital monetization on social entertainment platforms, leveraging mobile application subscriptions, livestreaming, virtual/digital gifting, tipping, and marketplace transactions as their core revenue drivers (i.e. B2C model). Hence, we are of the view that they are fair and comparable to the B2C segment of the Target Group.

Below are the EV/EBITDA multiples of the comparable companies as of the Valuation Date as extracted from Bloomberg to estimate the market value of the Target Group. No adjustments were made for differences between the Target Group and the comparable companies.

B2B Segment

Comparable Companies	**EV/EBITDA Multiple**
GOLFZON Co., Ltd. (215000 KS Equity)	2.38x
Brogent Technologies Inc. (5263 TT Equity)	*(outlier)* 55.62x
IMAX Corp (IMAX US Equity)	14.31x
D-BOX Technologies Inc. (DBO CN Equity)	4.65x
Dolby Laboratories Inc. (DLB US Equity)	19.00x
Barco N.V. (BAR BB Equity)	6.51x
GENDA Inc. (9166 JP Equity)	19.19x
Average excluding outlier(s)	**11.01x**

Source: Bloomberg and latest annual report or financial statements of the comparable companies

Note: Multiple value that lies beyond ± two standard deviations from the mean of the data set are deemed as an outlier.

B2C Segment

Comparable Companies	EV/EBITDA Multiple
Newborn Town Inc. (9911 HK Equity)	3.39x
SOOP Co., Ltd. (067160 KS Equity)	4.33x
Inkeverse Group Ltd (3700 HK Equity)	4.34x
Scienjoy Holding Corp (SJ US Equity)	1.06x
Average	**3.28x**

Source: Bloomberg and latest annual report or financial statements of the comparable companies

As advised by the Management that the revenue of the Target Group for the year ended December 31, 2024 was approximately 72% from the B2B segment and approximately 28% from the B2C segment, we estimated the weighted average EV/EBITDA multiple by applying these revenue proportions to the respective average excluding outlier(s) (if any) EV/EBITDA multiples of each segment. Then we multiplied the weighted average EV/EBITDA multiple of the comparable companies as of the Valuation Date to the latest 12-month EBITDA of the Target Group to arrive at the enterprise value of the Target Group. The latest 12-month EBITDA was based on the consolidated financial statements of the Target Group for the year ended December 31, 2024, excluding any non-recurring other income/(losses). We then adjusted the derived enterprise value of the Target Group with net cash/(debt) and non-operating assets/(liabilities) to arrive at the equity value of the Target Group. Furthermore, we adjusted the derived equity value of the Target Group with discount for lack of marketability ("**DLOM**") and control premium to account for the fact that the Target Group is a private group as of the Valuation Date and the subject equity interest is on controlling basis.

Discount for Lack of Marketability ("DLOM")

The value of privately held shares is not directly comparable to the value of publicly traded securities. This is due to the fact that shareholders of privately held companies do not have the same access to trading markets that shareholders of publicly traded companies enjoy. Therefore, the market value of the ordinary shares must be adjusted to reflect its lack of liquidity and ready market.

A number of research studies including restricted stock studies have attempted to quantify marketability discounts. Restricted stock studies are performed by comparing the prices at which a restricted stock trades vis-à-vis its publicly traded counterpart. A restricted stock is one that is identical to its company's publicly traded issue but carries a short-term restriction on marketability. In the case of transfers of restricted stock, these studies provide evidence for the application of a discount placed on illiquid investments.

Based on Stout Restricted Stock Study Companion Guide 2024 published by Stout Risius Ross, LLC, a DLOM of approximately 20.4% has been adopted. Stout Risius Ross, LLC is a global advisory firm specializing in corporate finance, accounting and transaction advisory, valuation, financial disputes, claims, and investigations. The application of DLOM is a common market practice adopted by professional valuers in the valuation industry in valuing equity interest of private companies, and the Stout Restricted Stock Study Companion Guide 2024 is a most commonly used and widely accepted reference source for providing empirical support for the DLOM.

Control Premium

A control premium is the premium an investor is willing to pay in addition to a marketable majority equity value to obtain controlling interest in a business subject. The value derived from the comparable companies represents minority interests, therefore adjustment has been made to reflect the degree of control associated with the 100% equity interest in the Target Group.

Based on the FactSet/BVR Control Premium Study 4th Quarter, 2024 published by Business Valuation Resources, LLC, a control premium of approximately 32.6% has been adopted. Business Valuation Resources, LLC is a company that offers tools and resources to assist business professionals, particularly in valuation, assess and determine the value of private and public business assets. The application of control premium is a common market practice adopted by professional valuers in the valuation industry in valuing the majority or controlling equity interest of companies. Given the FactSet/BVR Control Premium Study 4th Quarter, 2024 is the most recent edition as of the Valuation Date and it is a most commonly used and widely accepted reference source for determining the additional consideration that an investor would pay over a marketable minority equity value, we consider the adoption of control premium with this reference to be fair and reasonable.

Summary of Calculation

Details of the calculation of the market value of the Target Group using the weighted average EV/EBITDA multiple was illustrated as follows:

As of December 31, 2024

	HK$
Latest 12-month EBITDA	6,251,377
Multiply: Weighted Average Market Multiple as of the Valuation Date	8.84x
Enterprise Value	**55,280,520**
Add: Cash	2,210,320
Less: Debts	(9,568,895)
Add/Less: Non-Operating Assets/(Liabilities)	3,241,077
Equity Value (marketable and minority basis)	**51,163,022**
Add: Control Premium	16,679,145
Less: DLOM	(10,437,257)
Market Value of 100% Equity Interest in the Target Group	**57,404,911**
Market Value of 100% Equity Interest in the Target Group (Rounded)	**57,400,000**

Note: The total may not sum up or variation due to rounding.

8. MAJOR ASSUMPTIONS

In this appraisal, a number of assumptions have to be made in order to sufficiently support our concluded value of the Target Group. Any deviation from the below major assumptions may significantly vary the valuation result. The major assumptions adopted in this appraisal are:

- There will be no major changes in the current taxation laws in the territories (the "**Territories**") in which the Target Group operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;

- There will be no major changes in the political, legal, economic or financial conditions in the Territories in which the Target Group operates or intends to operate, which would adversely affect the revenues attributable to and the profitability of the Target Group;

- The Target Group will retain and have competent management, key personnel, and technical staff to support its ongoing operation;

- All relevant legal approvals and business certificates or licenses to operate the business in the localities in which the Target Group operates or intends to operate has or would be officially obtained and renewable upon expiry;
- Industry trends and the market conditions for related industries will not deviate significantly from economic forecasts; and
- All information and representations provided by the Management, for which they are solely and wholly responsible for are true, accurate and complete in all material respect.

9. CONCLUSION OF VALUE

Based on the information provided and the analysis conducted, and subject to the Major Assumptions and Statement of Limiting Conditions, our opinion of the market value of the 100% equity interest in the Target Group as of December 31, 2024 is reasonably represented in the amount of approximately, **HONG KONG DOLLARS FIFTY SEVEN MILLION FOUR HUNDRED THOUSAND ONLY (HK$57,400,000).**

This report and the observations and analyses are intended solely for use by the Group for the purpose of assisting the Management of the Group to assess the market value of the 100% equity interest in the Target Group as of the Valuation Date and are not to be reproduced, disseminated or disclosed, in whole or in part, to any other party except in accordance with the terms of our engagement letter. The information contained in this report may include proprietary, sensitive and confidential information that has not been publicly disclosed. Release of this information to any other party could be damaging to the Group.

Yours faithfully,
For and on behalf of
International Valuation Limited

Prepared and analyzed by:
Winnie Lam, *CFA*
Kevin Kwong, *CFA, CVA, FRM*

Ms. Winnie Lam has more than ten years of experience in valuation and financial analyses, including business valuation, valuation of intangible assets, financial instruments, natural resources projects and purchase price allocation. Ms. Lam is a charter holder of Chartered Financial Analyst (CFA) and she graduated from the Hong Kong University of Science and Technology with a Bachelor of Business Administration, double-major in finance and management of organizations.

Mr. Kevin Kwong has more than ten years of experience in business valuation, intangible assets valuation, purchase price allocation, and impairment tests for financial reporting and transaction reference purposes. Mr. Kwong is a charter holder of Chartered Financial Analyst (CFA), Chartered Valuer and Appraiser, Singapore (CVA) and Financial Risk Manager (FRM).

10. STATEMENT OF LIMITING CONDITIONS

This analysis is subject to the following limiting conditions:

1. This appraisal report cannot be included or referred to in any prospectus, offering memo, loan agreement, registration statement, regulatory authority filings, legal and court proceedings or other public documents without prior written consent from International Valuation Limited ("**IVL**").

2. This report has been made only for the purpose stated and shall not be used for any other purpose. The information contained in this report is specific to the needs of the Group and for the intended use stated in this report. Neither IVL nor the appraiser is responsible for unauthorized use of this report. Neither this report nor any portions thereof (including, without limitations, any conclusions, the identity of IVL or any individuals signing or associated with this report, or the professional associations or organizations with which they are affiliated) shall be disseminated to third parties other than the Group, its financial accounting firm and attorneys, regulatory authorities, by any means without the prior written consent and approval of IVL. We assume no responsibilities or liabilities for any losses incurred as a result of unauthorized circulation, publication or reproduction of this report in any form and/or if used contrary to the purpose stated therein.

3. Information furnished by others or taken from Group's reports and records, standard reference manuals, publications and other sources, upon which all or portions of this report are based, is believed to be reliable, but has not been verified in all cases. No warranty is given as to the accuracy of such information. We do not accept any responsibilities for any errors or omissions in the information or any consequence liabilities arising from commercial decision or actions resulting from them.

4. IVL assumes no responsibility for legal matters including interpretations of either the law or contracts. No investigation has been made of, and no responsibility is assumed for, the legal description, or for legal matters regarding the valuation subject.

5. No responsibility is taken for changes in market conditions and no obligation is assumed to revise this report to reflect events or conditions, which occur subsequent to the valuation date hereof.

6. The date of value to which the estimate, conclusions and opinion expressed in this report applies is set forth in the beginning of this report. This appraisal is valid only for the valuation date indicated. Our value opinion is based on the purchasing power of the reporting currency as of this date. The opinion of value is estimated based on the financial conditions prevailing as of the date of this appraisal.

7. For events that occur subsequent to the appraisal date hereof, no responsibility is taken and no obligation is assumed to revise this report to reflect the impact, if any, of these events or changing conditions as they may have upon the subject although we reserve the right to do so. Neither IVL nor any individual signing or associated with this report shall be required by reason of this report to give further consultation, provide testimony or appear in court or other legal proceedings unless specific arrangements therefore have been made.

8. It is assumed that all required licenses, certificates, or other legislative or administrative authority from any local, or national government or private entity or organization have been, or can readily be obtained, or renewed for any use on which the value estimates provided in this report are based.

9. We have made no investigation of and assumed no responsibility for the ownership or any liabilities against the valuation subject. Responsible ownership and competent management are assumed.

10. Any allocation in this report of the total valuation among components of the valuation subject and the weighting of the reported values among the various appraisal approaches applies only to the program of utilization stated in this report. The separate values for any components or approaches may not be applicable for any other purpose and must not be used in conjunction with any other appraisal.

11. This appraisal report might not include full discussions of the data, reasoning, and analyses that were used in the valuation process to develop the appraiser's estimate of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the Group and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

12. Our valuation is only any an indicative quantum at which interests in the valuation subject might be reasonably be expected to be sold or disposed at the Valuation Date and may be different from the actual transacted price.

13. To the best of our knowledge and belief, the statements of fact contained in this report are true and correct; the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are impartial, and unbiased professional analyses, opinions, and conclusions.

14. Neither IVL nor any individual signing or associated with this report has any present or prospective interest in the valuation subject of this report and with respect to the parties involved. IVL or any individual signing or associated with this report has no bias with respect to the valuation subject of this report or to the parties involved with this assignment. The engagement in this assignment was not contingent upon developing or reporting predetermined results. The compensation of IVL or any individual signing or associated with this report for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the Group, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (a) as at the Latest Practicable Date; (b) immediately following the Increase in Authorised Share Capital becoming effective but before Completion; and (c) following the Completion were and are expected to be as follows:

(a) As at the Latest Practicable Date

		HK$
Authorised:		
1,000,000,000	Shares of HK$0.10 each	100,000,000.00
Issued and fully paid:		
760,320,000	Shares of HK$0.10 each	76,032,000.00

(b) Immediately following the Increase in Authorised Share Capital becoming effective but before the Completion

		HK$
Authorised:		
2,000,000,000	Shares of HK$0.10 each	200,000,000.00
Issued and fully paid:		
760,320,000	Shares of HK$0.10 each	76,032,000.00

(c) Immediately following Completion

		HK$
Authorised:		
2,000,000,000	Shares of HK$0.10 each	200,000,000.00
Issued and fully paid:		
760,320,000	Shares of HK$0.10 each	76,032,000.00
318,000,000	Consideration Shares to be issued upon Completion	31,800,000.00
1,078,320,000	Total	107,832,000.00

All the Shares in issue are fully-paid and rank *pari passu* in all respects with each other, including, in particular, as to dividends, voting rights and return of capital. The Consideration Shares, when allotted and issued, shall rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Consideration Shares, including the right to all dividends, distributions and other payments made or to be made on the record date which falls on or after the date of such allotment and issue. The Shares and the Consideration Shares in issue and to be issued are or will be listed on GEM.

As of the Latest Practicable Date, the Company had no outstanding convertible securities, options, or warrants in issue that confer any right to subscribe for, convert, or exchange into Shares. There is no Treasury Share held by the Company or its subsidiary or through any agent or nominee.

3. DISCLOSURE OF INTERESTS

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

As at the Latest Practicable Date, none of the Directors and the chief executives of the Company has any interest or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) 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 or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors.

(b) Substantial Shareholders' and other persons' interests and short positions in Shares and underlying shares of the Company

As at the Latest Practicable Date, so far as is known to the Directors, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest	Number of Shares held	Approximate percentage to the issued share capital of the Company as at the Latest Practicable Date
Win All *(Note 3)*	Beneficial Owner	188,360,000	24.77%
Mr. Lau Chi Yuen Joseph ("**Mr. Lau**") *(Note 4)*	Beneficial Owner	44,360,000	9.98%
	Interested in Controlled Corporation	31,530,000	

Notes:

1. All interests stated are long positions.

2. The percentage figures are based on the number of Shares in issue as at the Latest Practicable Date (i.e. 760,320,000 Shares).

3. Win All is a company owned as to 100% by Mr. Ng. By virtue of the SFO, Mr. Ng is deemed to be interested in 188,360,000 Shares held by Win All.

4. Mr. Lau subscribed for 44,360,000 placing shares under the placing announced by the Company on 12 February 2025 and the completion of the placing (the "**Placing Completion**") took place on 28 February 2025. Mr. Lau, through JL Investments Capital Limited, held 31,530,000 Shares prior to the placing. By virtue of the SFO, Mr. Lau is deemed to be interested in 75,890,000 Shares in total immediately after the Placing Completion.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any other persons who had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service agreement with any members of the Group, excluding contracts expiring or determinable by the Group within one year without payment of any compensation, other than statutory compensation.

5. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS OF SIGNIFICANCE

As at the Latest Practicable Date, none of the Directors or proposed Directors, directly or indirectly, had any interest in any assets which had since 31 December 2024 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

There was no contract or arrangement subsisting as at the Latest Practicable Date, in which any of the Directors were materially interested and which was significant to the business of the Group.

6. DIRECTORS' COMPETING BUSINESS

As at the Latest Practicable Date, the Directors are not aware of any business or interest of the Directors, the controlling shareholder(s) of the Company and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

7. LITIGATION

As at the Latest Practicable Date, the Group was not engaged in any other litigation or claims of material importance known to the Directors to be pending or threatened against the Group.

8. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the two years preceding the issue of this circular and are or may be material:

(a) The Sale and Purchase Agreement;

(b) A placing agreement entered into between the Company and Grand Moore Capital Limited dated 12 February 2025 for the placement of up to an aggregate of 126,720,000 placing shares of HK$0.1 per placing share on behalf of the Company under the general mandate;

(c) A loan agreement entered into between the Company as lender and V Sing International as borrower dated 10 April 2025 for the loan in principal amount of HK$3,000,000 for a term of 5 months with 1% interest per month; and

(d) The Supplemental Agreement.

Save as disclosed above, there were no material contracts (not being contracts entered into in the ordinary course of business carried on by the Group) being entered into by any member of the Group within the two years immediately preceding the Latest Practicable Date.

9. EXPERTS AND CONSENTS

The qualifications of the experts who have given opinions and advice in this circular are as follows:

Name	Qualification
Elite Partners CPA Limited	Certified Public Accountants, being the reporting accountant for the unaudited pro forma financial information of the Enlarged Group and the financial information of the Target Group
International Valuation Limited	Independent Valuer

As at the Latest Practicable Date, the experts identified above had no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and had no direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group since 31 December 2024, being the date to which the latest published audited accounts of the Group were made up or were proposed to be acquired or disposed of by or leased to any member of the Group.

Each of the experts identified above has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter, report, advice and/or references to its name, in the form and context in which they respectively appear.

10. AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") and the current members of the Audit Committee are Ms. Wong Hoi Yan Audrey (Chairwoman of the Audit Committee), Mr. Ma Kin Hung and Ms. Cheung Choi Hung. The major roles and functions of the Audit Committee are to make recommendations to the Board on the appointment and dismissal of the external auditor, review the financial statements and information and provide advice in respect of financial reporting and oversee the internal control procedures of the Company. The biography of the members of the Audit Committee are set out below:

(a) Ms. Wong Hoi Yan Audrey, aged 55, was appointed as an independent non-executive Director on 21 May 2019. She has over 20 years of experience in accounting, financial control, banking, corporate finance and asset management. She served a number of Hong Kong listed companies in the areas of manufacturing, trading and properties development; banking and financial institutions. Ms. Wong holds a Master Degree in Corporate Finance from Hong Kong Polytechnic University. In addition, she is a fellow member of the Hong Kong Institute of Certified Public Accountant and a Certified Public Accountant in the Washington State of the USA.

(b) Mr. Ma King Hung, aged 78, was appointed as an independent non-executive Director on 31 July 2019. Mr. Ma has over 25 years of experience in corporate management, production management, marketing management in mainland China and investment in property in China. He has served as the Liaison Officer of the China Production Department of Hong Kong New Mark Limited, the Regional Sales Manager (China) of the German Professional Light Bulb Company, the Deputy general manager of Yutai Education Equipment Co., and the business representative in China of Indonesian GM Company.

(c) Ms. Cheung Choi Hung, aged 38, was appointed as an independent non-executive Director on 16 June 2023. She holds a higher diploma of public relations and advertising from School of Continuing Professional Studies of Chinese University of

Hong Kong. She has more than 10 years of experience in public relations, strategic marketing analysis and operations. Ms. Cheung has served as customer investment analyst of Cornerstone Financial Holdings Limited, a listed company in Hong Kong.

11. GENERAL

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

(b) The principal place of business in Hong Kong of the Company is Unit 5D, 5/F, Hang Cheong Factory Building, No. 1 Wing Ming Street, Kowloon Hong Kong.

(c) The company secretary of the Company is Ms. Tsang Oi Yin, an associate member of both The Hong Kong Chartered Governance Institute and the Chartered Governance Institute in the United Kingdom.

(d) The compliance officer of the Company is Mr. Chan Kin Ho, Phillip who has been an executive director and Chief Executive Officer of the Company since 10 September 2021.

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

(f) The English text of this circular and the accompany form of proxy shall prevail over their respective Chinese texts for the purpose of interpretation.

12. DOCUMENTS ON DISPLAY

Copies of the following documents are published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.worldgate.com.hk for a period of 14 days commencing from the date of this circular:

(a) the material contracts set out under paragraph 8 of the Appendix VI to this circular;

(b) the report issued by Elite Partners CPA Limited in relation to the financial information on the Target Group, the text of which is set out in Appendix II to this circular;

(c) the report issued by Elite Partners CPA Limited in relation to the unaudited pro forma financial information of the Enlarged Group, the text of which is set out in Appendix III to this circular;

(d) the valuation report issued by International Valuation Limited on the Target Group, the text of which is set out in Appendix V to this circular;

(e) the written consents from experts referred in the paragraph headed "Experts and Consents" in this appendix; and

(f) this circular.

WORLDGATE GLOBAL LOGISTICS LTD
盛 良 物 流 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8292)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**Meeting**") of WORLDGATE GLOBAL LOGISTICS LTD (the "**Company**") will be held at Unit 5D, 5/F, Hang Cheong Factory Building, No. 1 Wing Ming Street, Kowloon, Hong Kong, on Thursday, 17 July 2025 at 11:00 a.m., for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. "**THAT**:

(a) the conditional sale and purchase agreement (the "**Sale and Purchase Agreement**") (as supplemented by the supplemental agreement dated 24 June 2025) (copies of which are tabled at the EGM and marked "A" and signed by the chairman of the EGM for identification purposes) entered into between V Sing Holdings Limited and Silver Hero Ventures Limited (as vendors) (the "**Vendors**") and the Company (as purchaser) dated 21 March 2025 in relation to the acquisition of 100% of the issued share capital of V Sing Global Limited at a consideration of HK$50,000,000 and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

(b) the issue and allotment of 318,000,000 consideration shares (the "**Consideration Shares**") to the Vendors pursuant to the terms of the Sale and Purchase Agreement be and are hereby approved;

(c) subject to and conditional upon the listing committee of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") having granted the listing of, and permission to deal in, the Consideration Shares, the directors of the Company (the "**Director(s)**") be and are hereby granted with a specific mandate (the "**Specific Mandate**") which shall entitle the Directors to exercise all the powers of the Company to allot and issue the Consideration Shares to the Vendors, on and subject to the terms and conditions of the Sale and Purchase Agreement entered into between the Company and the Vendors, provided that the Specific Mandate shall be in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which has/have been granted or may be granted from time to time to the Directors prior to the passing of this resolution; and

(d) any one of the Directors be and is hereby authorised to do all such further acts and things and sign, agree, ratify and/or execute all such further documents or instrument under hand (or where required, under the common seal of the Company together with such other Director or person authorised by the board of Directors) and take all such steps as the Director in his/her discretion may consider necessary, appropriate, desirable or expedient to implement, give effect to or in connection with the Sale and Purchase Agreement and any of the transactions contemplated thereunder."

2. "**THAT**:

(a) the authorised share capital of the Company be and is hereby increased from HK$100,000,000 divided into 1,000,000,000 Shares of HK$0.10 each to HK$200,000,000 divided into 2,000,000,000 Shares of HK$0.10 each by the creation of an additional 1,000,000,000 unissued Shares of HK$0.10 each (the "**Increase in Authorised Share Capital**"); and

(b) the directors, secretary and registered office provider of the Company be and are hereby authorised to execute all such documents, instruments and agreements and to do all such acts or things they consider necessary, desirable or expedient to give effect to or in connection with the matters contemplated in and for completion of the Increase in Authorised Share Capital including, without limitation, the making of all filings with the Registrar of Companies in the Cayman Islands."

By order of the Board
WORLDGATE GLOBAL LOGISTICS LTD
Lai Kwok Hei
Chairman

Hong Kong, 30 June 2025

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

Principal place of business in Hong Kong:
Unit 5D, 5/F
Hang Cheong Factory Building
No. 1 Wing Ming Street
Kowloon
Hong Kong

Notes:

1. A form of proxy for use at the EGM or any adjournment thereof is enclosed.

2. A member entitled to attend and vote at the EGM is entitled to appoint one or more proxy to attend and, subject to the provisions of the Articles of Association, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the EGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.

3. Whether or not you intend to attend the EGM, you are requested to complete the form of proxy and return the same to the Company's Hong Kong branch share registrar and transfer office, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the holding of the EGM (or any adjourned meeting). Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM (or any adjourned meeting) if you so wish.

4. For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Tuesday, 15 July 2025 to Thursday, 17 July 2025, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Monday, 14 July 2025.

5. In compliance with Rule 17.47(4) of the GEM Listing Rules, voting on all proposed resolutions set out in this notice will be decided by way of a poll.

6. In case of joint holders of any share, any one of such joint holders may vote at the EGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the EGM personally or by proxy, then one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register of members of the Company in respect of the relevant joint holding.

7. (a) Subject to paragraph (b) below, if (i) a tropical cyclone warning signal No. 8 or above is expected to be hoisted or (ii) a "black" rainstorm warning signal is expected to be in force or (iii) "extreme conditions after super typhoons" is expected to be announced by the Government of Hong Kong Special Administrative Region at any time between 8:00 a.m. and 5:00 p.m. on the date of the EGM, the EGM will be postponed and Members will be informed of the date, time and venue of the postponed EGM by an announcement posted on the respective websites of the Company and the Stock Exchange.

   (b) If a tropical cyclone warning signal No. 8 or above or a "black" rainstorm warning signal or "extreme conditions after super typhoons" is lowered or cancelled at or before three hours before the time for holding the EGM and where conditions permit, the EGM will be held as scheduled.

   The EGM will be held as scheduled when an amber or red rainstorm warning signal is in force.

   After considering their own situations, members should decide on their own whether or not they would attend the EGM under any bad weather condition and if they do so, they are advised to exercise care and caution.

As at the date of this notice, the executive Directors are Mr. LAI Kwok Hei and Mr. CHAN Kin Ho Philip; the independent non-executive Directors are Ms. WONG Hoi Yan Audrey, Mr. MA Kin Hung and Ms. CHEUNG Choi Hung.

*This notice, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of the Hong Kong Limited (the "**Stock Exchange**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this notice is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this notice misleading.*

This notice will remain on the "Latest Listed Company Information" page of the Stock Exchange website at http://www.hkexnews.hk for a minimum period of seven days from the date of its publication and on the Company's website at http://www.worldgate.com.hk.