

True Partner
Capital Holding

TRUE PARTNER CAPITAL HOLDING LIMITED

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 8657)

Executive Directors:

Mr. Ralph Paul Johan van Put
(Chairman and Chief Executive Officer)
Mr. Godefriedus Jelte Heijboer
Mr. Tobias Benjamin Hekster
Mr. Roy van Bakel

Registered Office:

P.O. Box 31119 Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman KY1-1205
Cayman Islands

Non-executive Director:

Mr. Chan Heng Fai Ambrose

Head Office and Principal Place of

Business in Hong Kong:
Suite A123, 16/F, Tower 5
The Gateway, Harbour City
Kowloon, Hong Kong

Independent Non-executive Directors:

Mr. Jeronimus Mattheus Tielman
Ms. Wan Ting Pai
Mr. Ming Tak Ngai

6 March 2026

To the Shareholders

Dear Sir or Madam,

**(1) CONNECTED TRANSACTION IN RELATION TO PROPOSED ISSUE OF
CONVERTIBLE BONDS UNDER SPECIFIC MANDATE;
(2) APPLICATION FOR WHITEWASH WAIVER;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

As disclosed in the Announcement, the Company entered into the Bond Subscription Agreement with the Subscriber pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, the Convertible Bonds in the principal amount of US\$2,450,000 (equivalent to approximately HK\$19.07 million).

THE PROPOSED ISSUE OF CONVERTIBLE BONDS

On 28 January 2026 (after trading hours), the Company entered into the Bond Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, the Convertible Bonds in the principal amount of US\$2,450,000 (equivalent to approximately HK\$19.07 million), subject to the satisfaction or waiver of the CB Conditions Precedent as set out in the Bond Subscription Agreement and as summarised below.

THE BOND SUBSCRIPTION AGREEMENT

The principal terms of the Bond Subscription Agreement are summarised as follows:

- Date** : 28 January 2026 (after trading hours)
- Parties** : (i) The Company (as the issuer); and
(ii) the Subscriber.

Subscription

The Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, the Convertible Bonds in the principal amount of US\$2,450,000 (equivalent to approximately HK\$19.07 million).

Conditions precedent

The obligations of the Company and the Subscriber under the Bond Subscription Agreement are conditional upon (the “**CB Conditions Precedent**”):

- (i) the Listing Committee of the Stock Exchange having granted the approval for the listing of and permission to deal in the Conversion Shares to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds, and such approval remains valid and effective on the CB Completion Date;
- (ii) the Executive having granted the Whitewash Waiver to the Subscriber and the satisfaction of all conditions (if any) attached to the Whitewash Waiver granted, and such approval remains valid and effective on the CB Completion Date;
- (iii) the passing by the Board and the board of the Subscriber and by the Independent Shareholders (who are entitled to vote and not required to be abstained from voting under the relevant laws and regulations, the GEM Listing Rules and the Takeovers Code at the EGM) of the necessary resolution(s) to approve the Bond Subscription Agreement, the CB Specific Mandate and the transactions contemplated thereunder as well as the Whitewash Waiver;

- (iv) since the date of the Bond Subscription Agreement and until the CB Completion Date, there have not occurred any change (nor any development or event involving a prospective change) in the condition (financial or other), prospects, results of operations or general affairs of the Company or of the Group, which, in the reasonable opinion of the Subscriber, is material and adverse in the context of the issue of the Convertible Bonds;
- (v) the completion of, and to the Subscriber's reasonable satisfaction, legal, financial and regulatory due diligence on the Company based on information readily available in the public domain as at the date of the Bond Subscription Agreement and up to the CB Completion Date;
- (vi) the warranties given by the Company under the Bond Subscription Agreement being true, accurate and correct and not misleading in all material respects on the CB Completion Date; and
- (vii) the warranties given by the Subscriber under the Bond Subscription Agreement being true, accurate and correct and not misleading in all material respects on the CB Completion Date.

The conditions set out in (i), (ii) and (iii) above are incapable of being waived. The Subscriber may at any time by notice in writing to the Company waive conditions (iv), (v), and (vi) above, and the Company may at any time by notice in writing to the Subscriber waive condition (vii) above. If any of the CB Conditions Precedent above are not fulfilled (or waived, as the case may be) on or before the CB Long Stop Date, the Bond Subscription Agreement shall lapse and become null and void between the Company and the Subscriber, and neither the Company nor the Subscriber shall have or make any claim against the other in respect hereof save for liabilities for any antecedent breach hereof. As at the Latest Practicable Date, none of the condition precedents set out above had been fulfilled.

Completion

Completion of the Bond Subscription Agreement will take place on the CB Completion Date subject to the satisfaction (or, if applicable, waiver) of the CB Conditions Precedent set out above.

Pursuant to the Bond Subscription Agreement, on the CB Completion Date, the Company shall:

- (i) deliver to the Subscriber a certified copy of the relevant board resolutions of the Company approving the Bond Subscription Agreement and the transactions contemplated thereunder and the execution of Directors' Service Contracts (or letters of appointment);
- (ii) procure entry in the Register of Bondholders of the name of the Subscriber to be the holder of the principal amount of the Convertible Bonds subscribed by the Subscriber;
- (iii) issue to the Subscriber the Convertible Bonds by delivering a Certificate, duly executed, representing the principal amount of the Convertible Bonds subscribed by the Subscriber, in the agreed form in the name of the Subscriber; and

- (iv) subject to the requirements under the GEM Listing Rules and the Takeovers Code, the Company shall enter into and deliver the following directors' service contracts (or such letter of appointment with equivalent terms) (the "**Directors' Service Contracts**") in respect of the appointment of the Proposed Directors to the Subscriber: (a) a director's service contract with Mr. Chan, pursuant to which Mr. Chan shall be appointed and re-designated as Chairman, executive Director and Chief Business Development Officer of the Company, and is entitled to a base annual salary of HK\$1 and a performance-based compensation of 3% of the annual increase in the Company's net asset value, calculated year-on-year based on the change in such net asset value for each calendar year, payable in arrears as soon as the audited financial statements for that year are available, and in any event within one (1) month from the date such audited financial statements are published and available; (b) a director's service contract (or letter of appointment with equivalent terms) with each of Mr. Lui Wai Leung, Alan and Mr. Lim Sheung Hon Danny nominated by the Subscriber which give the Subscriber numerical majority representation on the Board on the CB Completion Date; and (c) a director's service contract (or letter of appointment with equivalent terms) with each of Mr. William Wu and Ms. Joanne Wong Hiu Pan nominated by the Subscriber and subject to the final approval of the Board as independent non-executive Directors; and
- (v) deliver to the Subscriber the resignation letter from each of Mr. Godefriedus Jelte Heijboer and Mr. Roy van Bakel as executive Directors, and Mr. Jeronimus Mattheus Tielman and Ms. Wan Ting Pai as independent non-executive Directors (the "**Resigning Directors**") with immediate effect and acknowledgement and confirmation that each of them has no outstanding claims or causes of action against the Company.

Pursuant to the Bond Subscription Agreement, on the CB Completion Date, the Subscriber shall:

- (i) make payment of the Subscription Price for the Convertible Bonds in such manner as mutually agreed between the Company and the Subscriber pursuant to the Bond Subscription Agreement;
- (ii) deliver to the Company a certified copy of the relevant board resolutions of the Subscriber approving the Bond Subscription Agreement and the transactions contemplated thereunder; and
- (iii) deliver to the Company the signed Directors' Service Contracts (or acceptance of letter of appointment with equivalent terms).

Undertaking by the Company

Pursuant to the Bond Subscription Agreement and subject to the requirements under the GEM Listing Rules, the Company undertakes that, among other matters:

- (i) it shall use its best endeavours to obtain all approvals and consents required and promptly make all notifications, registrations and filings as may from time to time be required in relation to the Convertible Bonds and/or the Convertible Shares; and

- (ii) subject to the terms and conditions of the Convertible Bonds, it shall at all times use its best endeavours to ensure that the minimum public float requirement of the GEM Listing Rules is complied with.

Pursuant to the Bond Subscription Agreement, the Subscriber undertakes with the Company that it will not exercise its conversion rights under the Convertible Bonds from time to time in such manner such that upon conversion, it will result in a breach of the minimum public float requirement of the GEM Listing Rules as applicable to the Company.

CB Specific Mandate

The Conversion Shares will be allotted and issued pursuant to the CB Specific Mandate. The Bond Subscription Agreement and the transaction contemplated thereunder is subject to the approval of the Independent Shareholders at the EGM.

Termination

The Bond Subscription Agreement may be terminated under certain circumstances, including, among other matters:

- (i) if any of the CB Conditions Precedent has not been satisfied or waived on or before the CB Long Stop Date;
- (ii) if there shall have come to the notice of the Subscriber any material breach of, or any event rendering untrue or incorrect in any material respect, any of the warranties given by the Company or any material failure to perform any of the Company's undertakings or agreements under the Bond Subscription Agreement; and
- (iii) if there is (a) any event or circumstance in the nature of force majeure, including but not limited to any act of government, any local, national or international event or change of a political, financial, economic or other nature affecting local securities markets, economic sanctions, strike or lock-out (whether or not covered by insurance), riot, fire, explosion, pandemic, flooding, earthquake, civil commotion, act of terrorism (whether or not responsibility has been claimed), act of God, declaration of a state of emergency or calamity or crisis, in Hong Kong, or (b) any material adverse change in market conditions, including but not limited to any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction of trading in securities, which, with respect to any of (a) and (b) above, individually or in aggregate, is or is likely to have a material adverse effect on the Group's business operations or financial position, or (c) a suspension or limitation of trading in securities generally on the Stock Exchange.

THE CONVERTIBLE BONDS

The principal terms of the Convertible Bonds to be issued under the Bond Subscription Agreement are set out as follows:

- Issuer :** The Company
- Subscriber :** The Subscriber
- Status :** The Convertible Bonds constitute direct, unconditional, unsubordinated, unguaranteed and unsecured obligations of the Company and shall at all times rank *pari passu* with all other present and future unsecured, unguaranteed and unsubordinated obligations of the Company.
- Principal amount :** US\$2,450,000 (equivalent to approximately HK\$19.07 million).
- Subscription :** 100% of the principal amount of the Convertible Bonds, which shall be issued by the Company, and the Subscriber shall subscribe for the Convertible Bonds on the CB Completion Date (the “**CB Issue Date**”).
- Coupon :** 3% per annum, payable in cash on an annual basis in arrears.
- CB Maturity Date :** The Convertible Bonds will mature on the second anniversary of the CB Issue Date (the “**CB Maturity Date**”).
- Conversion Price :** The Convertible Bonds shall be converted at the Conversion Price. Upon issue of the Convertible Bonds, the initial Conversion Price is expected to be HK\$0.10 per Conversion Share.

The initial Conversion Price per Conversion Share for the Convertible Bonds is subject to adjustments in each of the following cases, which is exhaustive:

- (i) an alteration of the number of the Shares by reason of any consolidation, subdivision or reclassification; the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

Where:

A = the nominal amount of one Share immediately after such alteration; and

B = the nominal amount of one Share immediately before such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

- (ii) an issue (other than in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account, contributed surplus account or capital redemption reserve fund); the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

Where:

A = the aggregate nominal amount of the issued Shares immediately before such issue; and

B = the aggregate nominal amount of the issued Shares immediately after such issue.

Such adjustment shall become effective on the day on which the Shares are issued or if a record date is fixed therefor, immediately after such record date.

- (iii) a capital distribution being made by the Company, whether on a reduction of capital or otherwise, to holders of the Shares in their capacity as such; the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such distribution by the following fraction:

$$\frac{A - B}{A}$$

Where:

A = the current market price (as defined in the terms and conditions of the Convertible Bonds) on the last trading day preceding (a) the date on which the distribution is publicly announced or (b) (where no such announcement is required to be made under the GEM Listing Rules) the record date of the distribution; and

B = the fair market value (as defined in the terms and conditions of the Convertible Bonds) on the date of such announcement (or, where no such announcement is required to be made under the GEM Listing Rules, such record date) of the portion of the distribution attributable to one Share.

Such adjustment shall become effective on the date that such distribution is made. For the avoidance of doubt, distribution excludes all cash distributions paid to the Shareholders.

- (iv) an offer or grant being made by the Company to holders of Shares by way of rights or of options or warrants to subscribe for new Shares at a price which is less than 75 per cent of the current market price (as defined in the terms and conditions of the Convertible Bonds) per Share on the date of the announcement of the terms of the issue or grant; the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

A = the number of Shares in issue immediately before such announcement;

B = the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options or warrants or other rights issued or granted by way of rights and for the total number of Shares comprised therein would subscribe for, purchase or otherwise acquire at such current market price (as defined in the terms and conditions of the Convertible Bonds) per Share; and

C = the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be).

- (v) an issue for cash or non-cash consideration (other than Shares issued on the exercise of Conversion Rights) or the issue or grant of options, warrants or other rights to subscribe for or purchase Shares or securities convertible or exchangeable into Shares, in each case at a price per Share which is less than 75% of the current market price (as defined in the terms and conditions of the Convertible Bonds) on the last trading day preceding the date of announcement of the terms of such issue or grant; the Conversion Price shall be adjusted by multiplying the prevailing Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

A = the number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for or purchase any Shares;

B = the number of Shares which the aggregate consideration receivable by the Issuer for the issue of such additional Shares would purchase at such current market price (as defined in the terms and conditions of the Convertible Bonds) per Share; and

C = the aggregate number of such additional Shares comprised in the issue or the additional Shares to be issued upon full exercise of such options, warrants or other rights to subscribe for or purchase Shares comprised in the grant (as the case may be).

Such adjustment shall become effective on the date of issue of the additional Shares or grant of such rights, options or warrants (as the case may be).

- (vi) the rights of conversion, exchange, purchase or subscription attaching to any options, rights or warrants to subscribe for or purchase Shares or any securities convertible into or exchangeable for Shares or the rights carried by such securities to subscribe for or purchase Shares are modified (other than pursuant to, and as provided in, the existing terms and conditions of such options, rights, warrants or securities); the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

Where:

A = the current market price (as defined in the terms and conditions of the Convertible Bonds) of one Share on the last trading day proceeding the date on which such issue or grant is publicly announced; and

B = the fair market value (as defined in the terms and conditions of the Convertible Bonds) on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or the issue or grant of such rights, options or warrants (as the case may be).

- (vii) the Company determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in any other provisions above which in either case have or would have an effect on the position of the bondholders as a class compared with the position of the holders of all the securities (and options, rights and warrants relating thereto) of the Company, taken as a class, which is analogous to any of the events referred above.

Conversion Rights :

The Subscriber shall have the right to convert their Convertible Bonds at the principal amount into Shares during the Conversion Period at the Conversion Price in effect on the conversion date, provided that:

- (i) any conversion shall be made in amounts of not less than a whole multiple of US\$50,000 on each conversion save that if at any time the aggregate outstanding principal amount of the Convertible Bonds is less than US\$50,000, the whole (but not part only) of the outstanding principal amount of the Convertible Bonds may be converted;
- (ii) the conversion will not cause the Company to be, at any time, unable to meet the public float requirement under the GEM Listing Rules or as required by the Stock Exchange, in which case only a portion of the Conversion Rights may be exercised so as to maintain the public float requirement;
- (iii) the conversion will comply with all applicable laws, regulations and rules; and
- (iv) the conversion of the Convertible Bonds does not result in the holders of the Convertible Bonds and/or the parties acting in concert with any of them and/or their respective associates being interested in such percentage as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer obligation under Rule 26 of the Takeovers Code on the part of the holder of the Convertible Bonds which exercised the conversion rights unless a whitewash waiver is granted by the Executive for such purpose.

Conversion Period : The Subscriber will have the right to convert the whole or part of the principal amount of the Convertible Bonds into Conversion Shares any time on or after the CB Issue Date up to the close of business on the CB Maturity Date (both days inclusive) (the “**Conversion Period**”).

Any part of the Convertible Bonds which is not converted by the Subscriber during the Conversion Period shall be mandatorily and automatically converted into the Conversion Shares upon the CB Maturity Date. Under no circumstances can the Convertible Bonds be redeemed by cash.

Ranking : The Conversion Shares to be issued upon the exercise of the Conversion Rights will rank *pari passu* with all other existing Shares in issue at the date of issue of the Conversion Shares and be entitled to all dividends, bonus and other distributions the record date for which falls on a date on or after the date of conversion.

Voting : The Subscriber shall not be entitled to attend or vote at any meetings of the Company by reason only of it being a holder of Convertible Bonds.

Listing : No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange. Application will be made to the Stock Exchange for the listing of and permission to deal in the Conversion Shares to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds.

Subject to the granting of the approval of listing of, and permission to deal in, the Conversion Shares on the Stock Exchange, as well as compliance with the stock admission requirements of HKSCC, the Conversion Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Conversion Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second (2nd) settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Conversion Shares to be admitted into CCASS established and operated by HKSCC. Potential investors should seek the advice of their stockbroker or other professional adviser for details of those settlement arrangement and how such arrangements will affect their rights and interests.

None of the existing Shares or debt securities of the Company (if any) are listed or dealt in on any other stock exchange other than the Stock Exchange, and upon exercise of the conversion rights attached to the Convertible Bonds, the Conversion Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange.

Security : The obligations of the Company under the Convertible Bonds are unsecured.

Transferability : The Convertible Bonds are transferable by the Subscriber in whole or any part of the outstanding principal amount of the Convertible Bonds, provided that (i) no Convertible Bonds may be transferred to any connected persons of the Company, or (ii) the transfer will not result in the Company contravening the GEM Listing Rules including rules regarding public float requirement, subject to the terms and conditions of the Convertible Bonds.

Conversion Shares

Assuming full conversion of the Convertible Bonds at the Conversion Price of HK\$0.10 per Conversion Share (subject to adjustments), a maximum number of 190,683,500 Conversion Shares will be allotted and issued, representing approximately 45.45% of the issued share capital of the Company (excluding treasury Shares) as at the Latest Practicable Date, approximately 31.25% of the issued share capital of the Company (excluding treasury Shares) as enlarged by the allotment and issue of the Conversion Shares (assuming that there will be no change in the issued share capital of the Company from the Latest Practicable Date and up to conversion of the Convertible Bonds in full at the initial Conversion Price). The Conversion Shares will be allotted and issued pursuant to the CB Specific Mandate proposed to be sought from the Independent Shareholders at the EGM. The Conversion Shares will rank *pari passu* in all respects with the Shares in issue as at the date of allotment and issue of the Conversion Shares.

Conversion Price

The initial Conversion Price of HK\$0.10 per Conversion Share (subject to adjustments) represents:

- (i) a discount of approximately 77.78% over the closing price of HK\$0.45 per Share as quoted on the Stock Exchange on 28 January 2026, being the date of the Bond Subscription Agreement;
- (ii) a discount of approximately 76.47% over the average of the closing prices of HK\$0.425 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately preceding 28 January 2026, being the date of the Bond Subscription Agreement;

- (iii) a discount of approximately 75.52% over the average closing price of approximately HK\$0.409 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately preceding 28 January 2026, being the date of the Bond Subscription Agreement;
- (iv) a discount of approximately 75.10% over the average closing price of approximately HK\$0.402 per Share as quoted on the Stock Exchange for the thirty (30) consecutive trading days immediately preceding 28 January 2026, being the date of the Bond Subscription Agreement;
- (v) a discount of approximately 8.38% to the latest audited consolidated net asset value per share of approximately HK\$0.109 as at 31 December 2024 (based on the latest published audited consolidated net asset value attributable to Shareholders of approximately HK\$45,785,000 as at 31 December 2024 and 419,500,000 Shares in issue as at the Latest Practicable Date; and
- (vi) a premium of approximately 8.42% to the unaudited consolidated net asset value per share of approximately HK\$0.092 as at 30 June 2025 (based on the latest published unaudited consolidated net asset value attributable to Shareholders of approximately HK\$38,691,000 as at 30 June 2025 and 419,500,000 Shares in issue as at the Latest Practicable Date.

Based on the “Benchmarked Price” (as defined in Rule 10.44A of the GEM Listing Rules) of HK\$0.45 per Share and assuming full conversion of the Convertible Bonds at the initial Conversion Price, when aggregated with the subscription of 19,500,000 new Shares at HK\$0.40 announced by the Company on 29 December 2024 but issued on 24 February 2025, the maximum theoretical dilution effect is 24.72%. The theoretical fully diluted price would therefore be HK\$0.3387.

The net Conversion Price, after deduction of relevant expenses, is approximately HK\$0.092 per Conversion Share. The initial Conversion Price was arrived at after arm’s length negotiations between the Company and the Subscriber, taking into account of, among other things, (i) the existing capital market conditions in Hong Kong, (ii) the recent trading performance of the Shares, (iii) the latest assets under management (as discussed in the paragraph headed “Reasons for and Benefits from the Proposed Issue of Convertible Bonds and Use of Proceeds” below) and financial position (details of which are discussed in Appendix I to this circular) of the Group, and (iv) the current cash position (i.e. a fixed bank deposit of HK\$12.77 million and HK\$16.46 million as at 30 June 2025) and liquidity requirements of the Group to maintain its business operations.

With regard to the existing capital market conditions in Hong Kong, the Directors (other than the Interested Directors who abstained from voting at the relevant Board meeting) considered various ways of raising funds in the equity and debt capital markets, including but not limited to bank borrowing and equity financing, taking into account that the Company would prioritise any acquisition of capital within the shortest possible timeline. Coupled with the recent trading performance discussed below, particularly the relative illiquidity of the Shares and the Company’s financial position, the Directors (other than the Interested Directors who abstained from voting at the relevant Board meeting) were of the view that the alternative fundraising methods as discussed in the section headed “Reasons for and Benefits from the Proposed Issue of Convertible Bonds and Use of Proceeds – Alternative fundraising methods” in this circular may not be the most feasible fundraising options for the Company in light of the objective of acquiring capital within the shortest possible timeline.

With regard to recent trading performance of the Shares and the discount of the Conversion Price to the benchmark closing prices as described above, one important factor to be taken into account is the relative illiquidity of the Shares. The Directors (other than the Interested Directors who abstained from voting at the relevant Board meeting) considered that while an importance is attached to using the latest stock price as a benchmark for comparison, if a stock is highly illiquid the latest stock price does not necessarily give a good indication at which buyers and seller may want to trade if it would involve a comparatively larger number of shares.

With regard to the liquidity of the Shares, the Directors (other than the Interested Directors who abstained from voting at the relevant Board meeting) noted that the Shares had only been traded on 96 out of the 246 trading days in the year preceding the date of the Bond Subscription Agreement (i.e. 28 January 2025 through 27 January 2026) with no transactions occurring in the other 150 trading days. On average, only 13,260 Shares were traded on each trading day, representing a traded value of approximately HK\$6,200. Specifically, the one-month, three-month, six-month and one-year average daily trading volume (as percentage of the total issued Shares as at 28 January 2026) of the Shares traded on the Stock Exchange (for the 12-month period preceding the date of the Bond Subscription Agreement, being 28 January 2026) were approximately 0.0016%, 0.0035%, 0.0050% and 0.0032%, respectively. For details of the monthly total trading volume of the Shares over the last 12 months preceding the date of the Bond Subscription Agreement and up to the Latest Practicable Date, please refer to the paragraph headed “Market prices and trading volume” in Appendix IV to this circular.

The Directors (other than the Interested Directors who abstained from voting at the relevant Board meeting) were of the view that the lack of turnover limits the degree of confidence of using the latest stock price as a benchmark and hence also limits the degree of confidence with which the comparison of discount/premium market range can be used a measure to determine the fairness of the proposed transaction. Therefore, the Directors (other than the Interested Directors who abstained from voting at the relevant Board meeting) arrived at the view that the comparisons to the relevant NAV per Share (as shown in points (v) and (vi) above) are the most relevant benchmark prices when assessing the fairness and reasonableness of the discount. Furthermore, the Convertible Bonds allow the Company to raise capital on an expedited manner compared to other avenues of capital raising, expedited proceeds from the Convertible Bonds benefits the Company in sustaining the present operations. On this basis, the Directors (other than the Interested Directors who abstained from voting at the relevant Board meeting) considered that the Conversion Price (including the discount of approximately 8.38% to latest audited consolidated net asset value per Share of approximately HK\$0.109 as at 31 December 2024 and at a premium of approximately 8.42% to the unaudited consolidated net asset value per Share of approximately HK\$0.092 as at 30 June 2025) to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INTENTION OF THE SUBSCRIBER

It is intention of the Subscriber and parties acting in concert with it to continue the existing principal business of the Group. The Subscriber and parties acting in concert with it do not intend to (i) introduce any major changes to the existing business and operations, (ii) dispose of, terminate or scale down any existing business of the Company, including terminating the continued employment of the employees of the Group, and (iii) introduce any change to the shareholding structure of the Company (save for the conversion of the Convertible Bonds).

As described in the paragraph headed “The Bond Subscription Agreement” in this Letter from the Board, it is the intention of the Subscriber to obtain a majority representations on the Board upon completion of the Bond Subscription Agreement. In this regard, the Company will enter into the Directors’ Service Contracts with the Proposed Directors nominated by the Subscriber on the CB Completion Date. Biographies of each of the Proposed Directors are set out in Appendix II to this circular.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the Company’s shareholding structure (i) as at the Latest Practicable Date, (ii) upon the CB Completion Date, and (iii) upon full conversion of the Convertible Bonds at the initial Conversion Price of HK\$0.10, assuming there will be no change to the total number of Shares in issue from the Latest Practicable Date and up to conversion of the Convertible Bonds:

Shareholders	As at the Latest Practicable Date		Upon the CB Completion Date and before conversion of any Convertible Bonds		Assuming the Convertible Bonds are fully converted into Shares at the initial Conversion Price	
	No. of Shares	% of issued Shares	No. of Shares	% of issued Shares	No. of Shares	% of issued Shares
Substantial Shareholders						
The Subscriber ^(Notes 1 & 2)	81,836,908	19.51	81,836,908	19.51	272,520,408	44.66
Alset International Limited ^(Notes 1 & 2)	6,614,000	1.57	6,614,000	1.57	6,614,000	1.09
Mr. Chan (also a non-executive Director) ^(Notes 1 & 2)	8,132,000	1.94	8,132,000	1.94	8,132,000	1.33
Sub-total for the Subscriber and parties acting in concert with it	96,582,908	23.02	96,582,908	23.02	287,266,408	47.08
Executive Directors and associates						
Tobias Benjamin Hekster	59,049,018	14.08	59,049,018	14.08	59,049,018	9.68
Godefriedus Jelte Heijboer ^(Note 3)	56,055,644	13.36	56,055,644	13.36	56,055,644	9.19
Roy van Bakel ^(Note 3)	27,686,280	6.60	27,686,280	6.60	27,686,280	4.54
True Partner Participation Limited ^(Note 4)	58,337,399	13.91	58,337,399	13.91	58,337,399	9.56
Sub-total for the executive Directors and associates	201,128,341	47.95	201,128,341	47.95	201,128,341	32.96
Public Shareholders	121,788,751	29.03	121,788,751	29.03	121,788,751	19.96
Total	419,500,000	100.00	419,500,000	100.00	610,183,500	100.00

Notes:

1. As at the Latest Practicable Date, the Subscriber was a wholly-owned subsidiary of DSS Financial Management, Inc. DSS Financial Management, Inc. was in turn wholly-owned by DSS Securities, Inc., which was in turn wholly-owned by DSS, Inc.. DSS, Inc. was owned as to 60.22% by Mr. Chan; the Subscriber directly held approximately 19.51% of the issued share capital of Company. As at the Latest Practicable Date, DSS, Inc. was a company listed on the New York Stock Exchange (stock code: DSS) and the remaining 39.78% shares in DSS, Inc. were held by Independent Third Parties.
2. As at the Latest Practicable Date, Alset International Limited was a company listed on the Singapore Exchange (stock code: 40V) and was owned as to 85.67% by Alset Business Development Pte Ltd, 3.64% by DSS, Inc. (it shareholding details are set out in note 1 above), 0.09% by LiquidValue Development Pte. Ltd. (an entity wholly-owned by Alset Inc.), 0.09% by Mr. Chan and 10.51% by Independent Third Parties. Alset Business Development Pte Ltd. was in turn wholly-owned by Alset Global Pte Ltd, which in turn was wholly-owned by Alset, Inc.. Alset Inc. was owned as to 90.47% by Mr. Chan; Alset International Limited directly held approximately 1.57% of the issued share capital of Company. As at the Latest Practicable Date, Alset Inc. was a company listed on the NASDAQ Stock Exchange (stock code: AEI) and the remaining 9.53% shares in Alset Inc. were held by Independent Third Parties. As at the Latest Practicable Date, Mr. Chan, being the non-executive Director, directly held approximately 1.94% in the Company; and through his controlled entities, namely Alset International Limited and the Subscriber, he was interested in approximately 23.02% of the issued share capital of the Company.
3. Mr. Godefriedus Jelte Heijboer and Mr. Roy van Bakel, being two of the Resigning Directors, will resign as executive Directors on the CB Completion Date pursuant to the Bond Subscription Agreement, and accordingly they will cease to be “Core Connected Persons” of the Company (as defined in the GEM Listing Rules) at that time. Following this, Mr. Godefriedus Jelte Heijboer will remain as a substantial Shareholder and Mr. Roy van Bakel will be recognised as a member of the public and the Shares held by Mr. Roy van Bakel will be counted towards the public float for the purpose of Rule 17.37B of the GEM Listing Rules upon CB Completion Date and before conversion of any Convertible Bonds. Upon full conversion of the Convertible Bonds, Mr. Godefriedus Jelte Heijboer will be recognised as a member of the public and the Shares held by him will be counted towards the public float for the purpose of Rule 17.37B of the GEM Listing Rules. Upon full conversion of the Convertible Bonds and assuming no other change in shareholding, the public float calculated pursuant to Rule 17.37B will be 33.69%.
4. As at the Latest Practicable Date, True Partner Participation Limited was a wholly-owned company by Mr. Ralph Paul Johan van Put, being an executive Director. Mr. Ralph Paul Johan van Put will remain as executive Director on the CB Completion Date and upon full conversion of the Convertible Bonds. Shares held by True Partner Participation Limited shall not be counted towards public float pursuant to Rule 17.37B.
5. Certain percentage figures included in the above tables have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
6. No share option has been granted by the Company pursuant to the share option scheme (adopted and approved by the then shareholders of the Company on 22 September 2020) since its adoption and up to the Latest Practicable Date. Save and except for the Convertible Bonds, the Company had no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the Latest Practicable Date.

REASONS FOR AND BENEFITS FROM THE PROPOSED ISSUE OF CONVERTIBLE BONDS AND USE OF PROCEEDS

Reasons and benefits

The Company is a Hong Kong, Europe and US based fund management group with a focus on volatility trading in liquid markets. The Group principally manages funds and managed accounts on a discretionary basis using a global relative value volatility strategy and other volatility strategies developed by the Group. The Company may also engage in limited trading of proprietary capital, principally via derivatives, as part of its research into new strategies and markets that may be appropriate for inclusion in the mandates it runs for external clients. The Group's roots in Hong Kong in combination with its current global footprint allow the Group to capitalize on market opportunities in the Asia Pacific markets and particularly those in Hong Kong and the PRC. Furthermore, the Group also provides consultancy services to third party in which the principals' decades of trading and market experience can be applied for expert witness engagement and advisory services since 2011.

Set out below is a breakdown of revenue generated from the Group's (i) fund management business and (ii) consultancy services in the three years ended 31 December 2022, 2023 and 2024 as well as the six months ended 30 June 2024 and 2025, as extracted from the Company's corresponding annual reports and interim report.

	For the year ended 31 December			For the six months ended	
	2022	2023	2024	2024	2025
	(HK\$000)	(HK\$000)	(HK\$000)	(HK\$000)	(HK\$000)
	<i>audited</i>	<i>audited</i>	<i>audited</i>	<i>unaudited</i>	<i>unaudited</i>
Revenue from fund management business	44,106	12,398	5,752	3,534	3,549
Revenue from consultancy services	687	873	1,944	840	1,310
Net trading gain/(loss)	–	18	1,873	652	(75)
Total revenue	44,793	13,289	9,569	5,026	4,784

Over the past years, the generally suppressed volatility environment has been a headwind for the Company's relative value volatility strategy and the increasingly challenging business environment was reflected in the financial performance and position of the Company for the year ended 31 December 2024 and the six months ended 30 June 2025. According to the Company's annual report for the year ended 31 December 2024 and the interim report for the six months ended 30 June 2025, the Company recorded a net loss of approximately HK\$48.51 million and HK\$15.97 million, respectively, net current assets of HK\$45.79 million as at 31 December 2024 and HK\$38.69 million as at 30 June 2025. Further details of the Company's financial performance are set out in Appendix I to this circular. In light of the deteriorating financial performance, the Company has initiated various projects to establish new trading strategies and investment offerings including a China-focused strategy (the "**TP Dragon Tail**"), a short-volatility strategy (the "**TP Volatility Premium**") in addition to the already existing True Partner Relative Value Volatility strategy (the "**TP RV Volatility**"). This is an ongoing development which has resulted in establishment of both the new strategies in a managed account format with the aim to launch commingled investment vehicles.

The TP Dragon Tail strategy seeks to generate returns from net long exposure in Chinese equities and equity indices including the use of listed derivatives (calls, puts and futures) based on the Company's quantitative models to provide a better risk/reward return profile for investors compared to outright long exposure. The primary focus is long exposure in shares and indices listed on the Stock Exchange. The reason for establishing such strategy was that the Company believes that such Hong Kong-listed shares and index products offer a valuation discount not only to global equities especially, but also to mainland Chinese equivalent shares. In addition, the Stock Exchange offers trading in listed equity index derivatives with high liquidity, allowing the Company a higher flexibility for to optimize the risk/reward profile for its investors. On this basis, the TP Dragon Tail strategy intends to have a high correlation with the Hang Seng Chinese Entities Index (generally the "**H-shares**") but with a better risk or return profile for investors. The investment process combines quantitative analysis of technical data and fundamentals with the insights of experienced human traders. The level of effective net long exposure of TP Dragon Tail varies based on our quantitative models.

The TP Volatility Premium strategy is a short-volatility strategy, which intends to provide positive returns in the long run for investors by capturing premium decay from selling index options, primarily put options, in a systematic way based on quantitative models. As is the case with short-volatility strategies in general, TP Volatility Premium is expected to generate positive returns in relatively quiet periods and in periods of strong market performance. However, where short-volatility strategies tend to incur (material) losses in market downturns, the TP Volatility Premium strategy applies a quantitatively defined protective options overlay mechanism by also buying further away out-of-the-money put options and equivalent products. This provides a level of protection in periods of market turmoil, making potential drawdowns less severe. The TP Volatility Premium strategy intends to have a high correlation with the Eureka hedge Short Volatility index, but with reduced downside risk for the investors.

TP RV Volatility is a global relative value volatility strategy focused on listed options on major equity indices across the US, Asia and Europe. The strategy utilizes proprietary models and systems to identify and trade relatively undervalued and overvalued options across multiple exchanges. The strategy seeks to provide diversifying returns to investors in a liquid format. The TP RV Volatility strategy intends to have a high correlation with the Eureka hedge Relative Value Volatility and Long Volatility indices.

Despite the generally difficult circumstances, the Company's trading strategies (i.e. TP RV volatility, TP Dragon Tail and TP Volatility Premium) performed well relative to Company's competitive peers and benchmarks such as the Eurekahedge Relative Value Volatility and Long Volatility indices over the period from 2024 onwards. The establishment of the new strategies greatly aided by the back testing and analysis tools which the Company has developed over the past years. Technological development remains an ongoing process in light of the current ongoing technological advances (including but not limited to the role of artificial intelligence in analysis and development of trading strategies). This in turn has also generated attention for the Company's customised solutions including for tail-hedge mandates (i.e. specific instructions from customers to set aside a small portion of portfolio for special protection against rare, extreme market crashes). With regard to tail-hedge mandates, the upcoming transition of the Dutch pension system (one of the largest in the world in terms of assets under management) continues to be an opportunity for the Company, as individual pension fund transitions are now scheduled for 2026 and 2027.

Furthermore, as detailed in the Company's voluntary monthly announcement dated 24 February 2026, the assets under management of the Company have seen a decline over the past year, with the latest reported assets under management as at 31 January 2026 amounted to US\$171 million (as compared to US\$874 million as at 31 January 2024). In addition, the fact that the one remaining client submitted redemption notices in February 2026 (with a final full redemption notice on 19 February 2026) to the Company for strategies it subscribed to, including True Partner RV Volatility, TP Volatility Premium and TP Dragon Tail resulted in a *de minimis* level of assets under management managed by the Company as at the Latest Practicable Date.

In light of the changes in assets under management discussed above, the Directors considered and expected that the corresponding financial impact on the Company's profitability will be offset by both ongoing reduction in operating costs and an expected and continued increase in revenue from its consultancy services, further to the current schedule of consultancy engagements of the Group. The Company is also actively engaging prospective investors to secure investment advisory business opportunities. For details, please refer to the section headed "Financial and Trading Prospects of the Group" in Appendix I to this circular.

Alongside the Company's cost-cutting management, the Directors also considered that the decline in assets under management necessitates and propels the Company to strengthen its IT infrastructure further with the emphasis on development of new strategies given the positive results of TP Dragon Tail and TP Volatility Premium as described above. Specifically, the Company intends to apply and implement artificial intelligence in the analysis and development processes in the said strategies, and at the same time, to continue to market its strategies and capabilities to potential clients. These intentions are reflected in the detailed discussion of the use of proceeds below. The Company is continuously exploring new markets to replenish its assets under management, and the Directors expect that the Group is operationally ready to handle and implement new accounts as soon as new clients subscribe to its strategies. For details, please refer to the section headed "Financial and Trading Prospects of the Group" in Appendix I to this circular.

Mr. Ralph Paul Johan van Put and Mr. Tobias Benjamin Hekster, being the executive Directors who considered the Subscription at the relevant Board meeting (Mr. Godefriedus Jelte Heijboer and Mr. Roy van Bakel abstaining by virtue of their interests in the Bond Subscription Agreement and transactions contemplated thereunder as Resigning Directors) considered that the Subscription will provide the Company with resources to continue these ongoing developments and initiatives including development of new trading strategies, improvement to the IT infrastructure to support and augment research capabilities including increased implementation of artificial intelligence tools and continued marketing towards prospective investors.

Alternative fundraising methods

The Directors considered various ways of raising funds in the equity and debt capital markets, including but not limited to bank borrowing and equity financing, taking into account that the Company would prioritise any acquisition of capital within the shortest possible timeline. From that perspective, the Directors are of the view that the Company could obtain more favorable terms and timeliness working with the Subscriber. Given the prospective role the Subscriber (and potentially his associates) will have at the Company, a convertible bond has the Subscriber's preference which is reflected in the borrowing rate of 3% per annum, which compares favorably to current market reference rates (such as the Hong Kong Monetary Authority Base Rate from time to time and was set at 4% as at the Latest Practicable Date). Any debt or bank financing with other potential investor(s) may also be subject to lengthy negotiations and lender due diligence exercises while the interest burden would be notably higher than the interest rate of the Convertible Bonds. With respect to equity financing alternatives (such as placing of new Shares, rights issue and open offer), the Directors considered that placing will usually be conducted on a best-effort basis, rendering the outcome and the exact amount of proceeds to be raised from such placing exercise being uncertain and subject to market condition. Rights issue or open offer will involve the issue of listing documents with other application and administrative procedures involving the public Shareholders which may require relatively longer time and incur additional administrative costs as compared to the issue of the Convertible Bonds. Furthermore, the Directors considered that (i) the issue of Convertible Bonds will not have an immediate dilution effect on the shareholding of the existing Shareholders, and (ii) if the conversion rights attaching to the Convertible Bonds are exercised, the equity base of the Company will be enlarged with consolidated support from Mr. Chan and the financial position of the Group will be strengthened, benefiting the long-term development of the Company. On the basis above, the Directors (other than the Interested Directors who abstained from voting at the relevant Board meeting) considered that the issue of the Convertible Bonds is the most feasible and favourable method for the Company to deal with the imminent funding needs of the Company as compared to the alternative fund-raising methods discussed above. Accordingly, the Directors (other than the Interested Directors who abstained from voting at the relevant Board meeting as mentioned above) are of the view that terms of the Bond Subscription Agreement and the transactions contemplated thereunder (including the grant of the CB Specific Mandate) are on normal commercial terms and fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Use of proceeds

Assuming there will be no change to the total number of Shares in issue from the Latest Practicable Date and up to conversion of the Convertible Bonds, the estimated gross proceeds and net proceeds from the Subscription (the “**Net Proceeds**”) (after deducting all fees, costs and expenses estimated to be incurred by the Company in connection with the Subscription which is expected to be approximately US\$200,000) are expected to be approximately US\$2,250,000 (equivalent to approximately HK\$17.51 million).

Taking into consideration the latest assets under management and financial position of the Company as mentioned in the paragraph headed “Reasons for and Benefits from the Proposed Issue of Convertible Bonds and Use of Proceeds” above, the Company intends to apply the Net Proceeds in the following manner:

- (a) as to approximately US\$0.63 million (equivalent to approximately HK\$4.90 million), representing approximately 28.0% of the Net Proceeds, for enhancement of our IT systems, including the development and implementation of various AI-driven methodologies for position management, investment analysis and strategy development. Over the years the Company has substantially invested in technological infrastructure and analysis and back testing capabilities. These investments have allowed for the development of new strategies which have been successfully implemented over the past years including TP Volatility Premium and TP Dragon Tail in addition to improvements in the existing TP RV Volatility. The Company also expects that the application of artificial intelligence in the TP Volatility Premium and TP Dragon Tail strategies will improve the Group’s automated quantitative analytical capabilities and accuracy of technical data and fundamentals complementing our human traders’ insights, improving the customers’ overlay positions and ultimately investment returns. Specifically, artificial intelligence is applied to analyse large datasets as well as the application of robust scenario analyses. For derivatives strategies, this improves the validation and optimization of investment strategies and risk exposure thereof. It is in this realm that the computational prowess of AI agents can greatly enhance the existing back-testing and analysis capabilities. The Company expects that the artificial intelligence-assisted analysis would be immensely helpful in the development of new trading strategies and the improvement of existing strategies, as well as day-to-day aspects of position management. Furthermore, improvement to the trading and risk/position management software and implementation of artificial intelligence are ongoing processes that the Group intends to develop and apply in its strategies in the long run. The expenditure would consist of both the procurement of required hardware as well as the engagement of software developers and this part of the proceeds are expected to be utilized by year-end 2027;
- (b) as to approximately US\$0.63 million (equivalent to approximately HK\$4.91 million), representing approximately 28.0% of the Net Proceeds, for ongoing operational costs, including staff salaries, rent and other direct expenses and general corporate expenses taking into account the current financial position of the Company and the required working capital for developing its relative value volatility strategies (i.e. TP Dragon Tail and TP Volatility Premium), which is expected to be utilised by year-end 2027;

- (c) as to approximately US\$0.42 million (equivalent to approximately HK\$3.27 million), representing approximately 18.7% of the Net Proceeds, for continued marketing expenses, including attending symposia and other financial events, visiting prospective clients and investors and maintaining and expanding the client relation management (CRM) system. Such marketing events will enrich the Company's resources in promoting and marketing its newly developed volatility strategies (i.e. TP Dragon Tail and TP Volatility Premium), other relative value volatility strategy(ies) as well as its ability to tailor solutions and provide investment advisory, thereby the Company's exposure to a wider pool of prospective clients. As discussed in the section headed "Financial and trading prospects of the Group" in Appendix I to this circular, the three trading strategies of the Company, being TP RV Volatility, TP Volatility Premium and TP Dragon Tail, had experienced positive performance in 2025. Therefore, the Company intends to revive its assets under management by continuing to actively engage with over 1,000 prospective investors with whom the Company has engaged with over the last 15 years. The Company expects that the proven track record of the said strategies and the expected increase in marketing efforts and activities will not only generate investor interest in said strategies, but also highlight the general capabilities of the Company in structuring (protective) tailored investment solutions for its customers. This is particularly so in light of the current elevated market and geopolitical uncertainty which by itself tends to increase investor attention to volatility strategies such as the ones offered by the Group. From this perspective, the Company has also reached out to a specific group of potential clients, namely Dutch pension plans in light of the structural reforms of the Dutch pension system. For further details of the Company's efforts in replenishing and growing its assets under management, please refer to the section headed "Financial and trading prospects of the Group" in Appendix I to this circular. Therefore, the Company intends to utilize the allotted part of the proceeds for the marketing and client activities described above in order to continue and enhance engagement with potential investors. It is also intended that the Company would launch the TP Dragon Tail strategy in fund format which would then be a key aspect in the Company's marketing efforts. The utilization of the allocated part of the proceeds is expected to occur through year-end 2027;
- (d) as to approximately US\$0.36 million (equivalent to approximately HK\$2.80 million), representing approximately 16.0% of the Net Proceeds, for professional fees and expenses, including advisory fees and listing-related expenses that relate to the general operations of a listed company and potential fund formation matters for the Company's strategies. Examples of the latter would be continued engagement of the Group's legal adviser in relation to listing matters as well as share registrar, professional printer and listing-related compliance support. Furthermore, as the Company intends to launch the TP Dragon Tail strategy in a commingled fund vehicle, the legal costs of establishing such fund vehicle are also included under this allocation. The utilization of this part of the proceeds is expected to be completed by year-end 2027; and

- (e) as to the balance of approximately US\$0.21 million (equivalent to approximately HK\$1.63 million), representing approximately 9.3% of the Net Proceeds, for contingency and replenishing working capital of the Group as and when required. The allocation of this portion of the proceeds being factored in when determining the working capital sufficiency of the Group as confirmed in Appendix I to this circular and is expected to be utilized by year-end 2027.

The Company will issue an appropriate announcement if there is any material change to the above proposed use of proceeds.

INFORMATION OF THE PARTIES TO THE BOND SUBSCRIPTION AGREEMENT

The Group

The Company is a Hong Kong, Europe and US based fund management group with a focus on volatility trading in liquid markets. The Group principally manages funds and managed accounts on a discretionary basis using a global relative value volatility strategy and other volatility strategies developed by the Group. The Company may also engage in limited trading of proprietary capital, principally via derivatives, as part of its research into new strategies and markets that may be appropriate for inclusion in the mandates it runs for external clients. The Group's roots in Hong Kong in combination with its current global footprint allow the Group to capitalize on market opportunities in the Asia Pacific markets and particularly those in Hong Kong and the PRC.

The Subscriber

The Subscriber is a company incorporated in Hong Kong with limited liability which is principally engaged in investment holding. The Subscriber was established in 2015 concurrent to its acquisition of a shareholding in the Company and as such the investment in the Company is the Subscriber's predominant investment. As at the Latest Practicable Date, the Subscriber was a substantial Shareholder directly holding 19.51% of the issued share capital of Company and an associate of Mr. Chan (a substantial Shareholder and non-executive Director) and therefore, is a connected person of the Company under Chapter 20 of the GEM Listing Rules. As at the Latest Practicable Date, the Subscriber was indirectly owned as to 60.22% by Mr. Chan and 39.78% by Independent Third Parties.

As at the Latest Practicable Date, the Subscriber was a wholly-owned subsidiary of DSS Financial Management, Inc. DSS Financial Management, Inc. was in turn wholly-owned by DSS Securities, Inc., which was in turn wholly-owned by DSS, Inc.. DSS, Inc. was owned as to 60.22% by Mr. Chan; the Subscriber directly held 19.51% of the issued share capital of Company. As at the Latest Practicable Date, DSS, Inc. was a company listed on the New York Stock Exchange (stock code: DSS) and the remaining 39.78% shares in DSS, Inc. were held by Independent Third Parties. DSS, Inc., which operates as an investment holding company, acquiring and developing high-growth, undervalued assets with the aim to unlock shareholder value, and its investment portfolio includes businesses encompassing product packaging, biotechnology, commercial lending, and securities and investment management.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company had conducted the following fundraising activity involving issue of equity securities during the 12 months immediately before the date of the Announcement and up to the Latest Practicable Date:

Date of announcement(s)	Fundraising activity	Net proceeds raised	Intended use of net proceeds	Actual use of net proceeds
29 December 2024 and 24 February 2025 (for completion)	Subscription of new Shares by the Subscriber.	HK\$7,300,000	Cover expenses such as salaries (approximately 58%), office administrative expenses (approximately 16%), professional fees such as audit and legal fees and financial printing fees (approximately 9%), and promotion, marketing, travelling and other general expenses (approximately 17%).	As at the Latest Practicable Date, the proceeds of the subscription had been fully utilized in accordance with the manner disclosed in the announcement dated 29 December 2024.

Save as disclosed above, the Company had not conducted other fundraising exercise involving issue of equity securities during the 12 months immediately before the date of the Announcement and up to the Latest Practicable Date.

GEM LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, the Subscriber was a substantial Shareholder directly holding 19.51% of the issued share capital of Company, and an associate of Mr. Chan (a substantial Shareholder and a non-executive Director) and therefore, is a connected person of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, the Bond Subscription Agreement and the transactions contemplated thereunder (including the grant of the CB Specific Mandate) constitute connected transactions of the Company and are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

TAKEOVERS CODE IMPLICATIONS, APPLICATION FOR WHITEWASH WAIVER

Whitewash Waiver

As at the Latest Practicable Date, the Subscriber was interested in 81,836,908 Shares, representing approximately 19.51% of the issued share capital of the Company, and together with its associates and any parties acting in concert with any of them, taken together, in aggregate, were interested in an aggregate of 96,582,908 Shares, representing approximately 23.02% of the issued share capital of the Company.

Upon full conversion of the Convertible Bonds at the initial Conversion Price, assuming there will be no change to the total number of Shares in issue from the Latest Practicable Date and up to conversion of the Convertible Bonds, the Subscriber and parties acting in concert with it will hold an aggregate of 287,266,408 Shares. The aggregate shareholding and voting rights held by the Subscriber and parties acting in concert with it will increase from approximately 23.02% of the issued share capital of the Company as at the Latest Practicable Date to 47.08% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares (assuming that there will be no change in the issued share capital of the Company from the Latest Practicable Date and up to conversion of the Convertible Bonds in full at the initial Conversion Price). Accordingly, such increase of voting rights of the Company held by the Subscriber would therefore trigger an obligation of the Subscriber and the parties acting in concert with it to make a mandatory general offer for all the issued Shares not already owned or agreed to be acquired by the Subscriber and the parties acting in concert with it under Rule 26 of the Takeovers Code, unless the Whitewash Waiver is granted by the Executive. As at the Latest Practicable Date, neither the Subscriber nor any of the parties acting in concert with it had dealt in any relevant securities of the Company during the Relevant Period.

An application has been made by the Subscriber to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, will be conditional upon, among other matters, the conditions that the respective resolutions relating to the Bond Subscription Agreement and the transaction contemplated thereunder (including the grant of the CB Specific Mandate) on the one hand, and the Whitewash Waiver on the other hand, being approved by more than 50% and at least 75% respectively, of the votes cast by the Independent Shareholders at the EGM by way of poll.

THE INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to the terms of the Bond Subscription Agreement, Mr. Jeronimus Mattheus Tielman and Ms. Wan Ting Pai will resign as independent non-executive Directors. The Independent Board Committee, namely Mr. Ming Tak Ngai, being the sole independent non-executive Director who does not have interest in the Bond Subscription Agreement, has been established to consider the terms of the Bond Subscription Agreement and the transactions contemplated thereunder (including the grant of the CB Specific Mandate) as well as the Whitewash Waiver, and to advise the Independent Shareholders as to whether terms of the Bond Subscription Agreement and the transactions contemplated thereunder (including the grant of the CB Specific Mandate) as well as the Whitewash Waiver are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group, and accordingly, are in the interests of the Company and the Shareholders as a whole, and as to the voting action therefor. For the avoidance of doubt, Mr. Chan, being a non-executive Director, by virtue of his interest in the Subscriber and each of Mr. Jeronimus Mattheus Tielman and Ms. Wan Ting Pai are deemed interested in the Bond Subscription Agreement and accordingly they are not eligible to sit on the Independent Board Committee pursuant to the Takeovers Code.

With the approval of the Independent Board Committee, Gram Capital has been appointed as the Independent Financial Adviser pursuant to Rule 20.42 of the GEM Listing Rules to advise the Independent Board Committee and the Independent Shareholders in relation to the Bond Subscription Agreement and the transactions contemplated thereunder (including the grant of the CB Specific Mandate) as well as the Whitewash Waiver.

COMPLIANCE WITH PUBLIC FLOAT AND BOARD COMPOSITION AND DIVERSITY REQUIREMENTS

Pursuant to the Bond Subscription Agreement, both the Company and the Subscriber have provided undertakings to the effect that the Company will ensure compliance with Rule 17.37B of the GEM Listing Rules at all times during the term of the Bond Subscription Agreement, and that the Subscriber will not exercise its conversions rights in such manner that it will result in a breach of Rule 17.37B of the GEM Listing Rules by the Company. The Company will also take all necessary mitigation measures include but not limited to the resignation of the Resigning Directors on the CB Completion Date to ensure compliance with such requirement at all times. In addition, the Company will endeavour to implement mechanisms to facilitate and restore the public float of the Company as soon as practicable should such percentage falls below the 25% threshold as required under Rule 17.37B of the GEM Listing Rules as a result of any unintended dilution due to the conversion of the Convertible Bonds.

In light of the anticipated change in Board composition on the CB Completion Date, the Directors confirm that the Company will be able to comply with the board composition and diversity requirements under the GEM Listing Rules at all times, including the composition of relevant Board committees, Board diversity, the number and qualifications of independent non-executive Directors.

EXTRAORDINARY GENERAL MEETING

The EGM will be held by the Company at 9th Floor, Henley Building, 5 Queen's Road Central, Central, Hong Kong at 4:30 p.m. on Tuesday, 24 March 2026, to consider and if thought fit, to approve, among other things, the Bond Subscription Agreement, the CB Specific Mandate and the transactions contemplated thereunder as well as the Whitewash Waiver by way of poll.

Pursuant to Rule 17.48A of the GEM Listing Rules, a director of a listed issuer shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his close associates has a material interest nor shall he be counted in the quorum present at the meeting. Accordingly, Mr. Chan (by virtue of his interests in the Subscriber and as a non-executive Director), Mr. Godefriedus Jelte Heijboer, Mr. Roy van Bakel, Mr. Jeronimus Mattheus Tielman and Ms. Wan Ting Pai (by virtue of their interests in the Bond Subscription Agreement) have abstained from discussion and voting on the relevant Board resolutions for approving the Bond Subscription Agreement, the CB Specific Mandate and the transactions contemplated thereunder. As Mr. Ralph Paul Johan van Put and Mr. Tobias Benjamin Hekster as executive Directors were not considered to have any material interest in the Bond Subscription Agreement, the CB Specific Mandate and the transactions contemplated thereunder, they were not required to abstain from discussion and voting on the relevant Board resolutions.

Pursuant to Rule 20.34 of the GEM Listing Rules, the connected transaction must be conditional on shareholders' approval at a general meeting held by the listed issuer. Any shareholder who has a material interest in the transaction must abstain from voting on the resolution. Pursuant to the Notes on dispensations from Rule 26 of the Takeovers Code, "independent vote" means a vote by shareholders who are not involved in, or interested in, the transaction in question. Any vote from an interested Shareholder would therefore not be counted for Takeovers Code purposes. Accordingly, Mr. Chan (by virtue of his shareholding interests in the Subscriber), the Subscriber, Mr. Godefriedus Jelte Heijboer and Mr. Roy van Bakel (by virtue of their interests in the Bond Subscription Agreement) and other beneficial owner(s) of the Subscriber and their respective parties acting in concert with them will abstain from voting on the relevant resolution(s) in respect of the Bond Subscription Agreement, the CB Specific Mandate and the transaction contemplated thereunder as well as the Whitewash Waiver at the EGM. Mr. Ralph Paul Johan van Put (via his wholly-owned entity, True Partner Participation Limited) and Mr. Tobias Benjamin Hekster as executive Directors (and were involved in the negotiation of the Bond Subscription Agreement and are deemed acting in concert with Mr. Chan (as non-executive Director) by virtue of the Takeovers Code) despite not having any direct interest in the Bond Subscription Agreement will also abstain from voting at the EGM.

On the basis above, the aggregate of 96,582,908 Shares held by Mr. Chan, the Subscriber and parties acting in concert with them as at the Latest Practicable Date on the one hand, and the aggregate of 201,128,341 Shares held by Mr. Godefriedus Jelte Heijboer, Mr. Roy van Bakel, Mr. Ralph Paul Johan van Put (via his wholly-owned entity, True Partner Participation Limited) and Mr. Tobias Benjamin Hekster as at the Latest Practicable Date on the other hand will be excluded from voting.

Save for the aforesaid, no other Shareholder is involved or interested in or has a material interest in the Bond Subscription Agreement, the CB Specific Mandate and the transactions contemplated thereunder as well as the Whitewash Waiver, hence, will or is required to abstain from voting on the resolutions to approve the Bond Subscription Agreement, the CB Specific Mandate and the transactions contemplated thereunder as well as the Whitewash Waiver at the EGM.

PROXY ARRANGEMENT

The notice of the EGM is set out on pages EGM-1 to EGM-3 of this circular. At the EGM, resolutions of the Independent Shareholders will be proposed to approve, among other things, the Bond Subscription Agreement, the CB Specific Mandate and the transactions contemplated thereunder as well as the Whitewash Waiver by way of poll.

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.truepartnercapital.com. To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or the adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting 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. The EGM will be chaired by Mr. Ming Tak Ngai, who is disinterested and independent of the Bond Subscription Agreement, the CB Specific Mandate and the transaction contemplated thereunder as well as the Whitewash Waiver.

VOTING BY POLL

Pursuant to Rule 2.9 of the Takeovers Code, a matter to be approved by Shareholders in general meeting the vote must be conducted by way of a poll. In addition, Rule 17.47(4) of the GEM Listing Rules and the Articles of Association stipulate that any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith and in compliance with the GEM Listing Rules, decides to allow a resolution which relates purely a procedural or administrative matter to be voted on by a show of hands. Therefore, each resolution set out in the notice of the EGM which is put to vote at the EGM shall be decided by poll.

On a poll, every Independent Shareholder present in person or by proxy or, in the case of an Independent Shareholder being corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she/it is the holder. An Independent Shareholder entitled to more than one vote need not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

The Company will appoint scrutineers to handle vote-taking procedures at the EGM. The results of the poll will be published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.truepartnercapital.com as soon as possible after the conclusion of the EGM.

Holders of treasury Shares (if any) shall abstain from voting on matters that require shareholders' approval at the Company's general meetings.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 19 March 2026 to Tuesday, 24 March 2026, 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 properly completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 18 March 2026.

RECOMMENDATION

The Directors (other than the Interested Directors who abstained from voting at the relevant Board meeting) consider that the terms of the Bond Subscription Agreement and the transactions contemplated thereunder (including the grant of the CB Specific Mandate) as well as the Whitewash Waiver, though not in the ordinary and usual course of business of the Group, are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (other than the Interested Directors who abstained from voting at the relevant Board meeting) recommend the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 39 to 40 of this circular which contains its recommendation to the Independent Shareholders in respect of the Bond Subscription Agreement and the transactions contemplated thereunder (including the grant of the CB Specific Mandate) as well as the Whitewash Waiver. Your attention is also drawn to the letter from Gram Capital set out on pages 41 to 68 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in respect the aforesaid regards.

Your attention is also drawn to the additional information set out in the appendix to this circular.

Warning: The Whitewash Waiver is subject to the approval of the Executive and the Independent Shareholders at the EGM. The Executive and the Independent Shareholders may or may not approve the Whitewash Waiver. The Convertible Bonds may or may not be issued and/or converted depending on whether the Whitewash Waiver is granted and approved. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and actions that they should take.

Yours faithfully

For and on behalf of the Board

True Partner Capital Holding Limited



Ralph Paul Johan van Put

Chairman and Chief Executive Officer