

HK Asia Holdings Limited **港亞控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1723)

Executive Directors:

Mr. Siu Muk Lung (*Chairman*)
Mr. Chung Chi Fai (*General Manager*)
Mr. David Forrest Bailey
Mr. John Edwin Riggins
Mr. Fang Jason Kin Hoi
Ms. Wong Fung Yee Mary

Registered Office:

Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Non-executive Directors:

Mr. Ritchie Ma
Mr. Lam Kin Lun Davie
Ms. Cheung Yuet Ngo Flora

Headquarters and Principal Place of

Business in Hong Kong:

24th Floor, Chun Wo Commercial Centre
23 Wing Wo Street, Sheung Wan
Hong Kong

Independent non-executive Directors:

Mr. Lee Kwan Ho, Vincent Marshall
Mr. Kwok Wai Leung, Stanley
Mr. Fok Kam Chau

28 February 2025

To the Shareholders

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
GET NICE SECURITIES LIMITED
FOR AND ON BEHALF OF
THE JOINT OFFERORS
TO ACQUIRE ALL THE ISSUED SHARES IN
HK ASIA HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED
TO BE ACQUIRED BY THE JOINT OFFERORS
AND/OR PARTIES ACTING IN CONCERT WITH ANY OF THEM)**

INTRODUCTION

References are made to the Joint Announcement dated 20 January 2025 jointly issued by the Joint Offerors and the Company, and the Offer Document dated 7 February 2025 issued by the Joint Offerors.

On 14 January 2025, (i) the Joint Offerors and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Joint Offerors purchased and the Vendor sold the Sale Shares, being 281,070,000 Shares, representing approximately 70.26% of the issued share capital of the Company as at the date of the Joint Announcement, for the Consideration of HK\$126,481,500 (being HK\$0.45 per Sale Share); and (ii) the Company and the Subscribers entered into the Subscription Agreement, pursuant to which the Company conditionally agreed to issue, and the Subscribers conditionally agreed to subscribe, in cash, for the Convertible Notes in the principal amount of HK\$33,750,000, which may be converted into 75,000,000 Conversion Shares at the initial Conversion Price of HK\$0.45 per Conversion Share upon exercise of the Conversion Rights in full. Acquisition Completion took place on 15 January 2025. Subscription Completion is conditional on, among other things, Acquisition Completion and the close of the Offer. Further details of the Subscription will be set out in the Circular.

As stated in the Offer Document, immediately prior to Acquisition Completion, the Joint Offerors and the Joint Offerors' Concert Parties did not hold, own, control or have direction over any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately following Acquisition Completion and as at 6 February 2025 (being the latest practicable date prior to the printing of the Offer Document for ascertaining certain information contained therein), the Joint Offerors and the Joint Offerors' Concert Parties were interested in an aggregate of 281,070,000 Shares, representing approximately 70.26% of the then issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, the Joint Offerors are required to make an unconditional mandatory cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Joint Offerors and/or parties acting in concert with any of them).

On 7 February 2025, the Joint Offerors despatched the Offer Document and the accompanying Form of Acceptance setting out details of the Offer.

As at the Latest Practicable Date, taking into consideration valid acceptances in respect of a total of 44,000 Offer Shares under the Offer and assuming that the transfer of such Offer Shares tendered for acceptance has been completed in accordance with the terms of the Offer, the Joint Offerors and the parties acting in concert with any of them were interested in a total of 281,114,000 Shares, representing approximately 70.28% of the total issued share capital of the Company.

The purpose of this Response Document is to provide you with, among others, information relating to the Group, the recommendations from the Independent Board Committee, and the advice from Gram Capital in respect of the Offer.

OFFER

The information relating to the Offer below is extracted (with appropriate adjustments) from the Offer Document.

Principal Terms of the Offer

Get Nice Securities, for and on behalf of the Joint Offerors and in compliance with the Takeovers Code, is making the Offer to acquire all the Offer Shares on the following basis:

For each Offer Share HK\$0.45 in cash

The Offer Price of HK\$0.45 per Offer Share under the Offer is equivalent to (i) the purchase price of HK\$0.45 per Sale Share paid by the Joint Offerors to the Vendor; and (ii) the Conversion Price of HK\$0.45 per Conversion Share.

Comparison of value

The Offer Price of HK\$0.45 per Offer Share represents:

- (i) a discount of approximately 91.80% to the closing price of HK\$5.49 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 5.26% to the closing price of HK\$0.475 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 4.26% to the average of the closing prices as quoted on the Stock Exchange for the 5 trading days immediately prior to and including the Last Trading Day of HK\$0.47 per Share;
- (iv) a premium of approximately 11.52% over the average of the closing prices as quoted on the Stock Exchange for the 10 trading days immediately prior to and including the Last Trading Day of HK\$0.4035 per Share;
- (v) a premium of approximately 41.73% over the average of the closing prices as quoted on the Stock Exchange for the 30 trading days immediately prior to and including the Last Trading Day of HK\$0.3175 per Share;
- (vi) a premium of approximately 71.05% over the Group's unaudited consolidated net assets attributable to the Shareholders per Share of approximately HK\$0.263 as at 30 September 2024 (calculated based on (i) a total of 400,000,000 Shares as at the Latest Practicable Date and (ii) the Group's unaudited consolidated net assets attributable to the Shareholders of HK\$105,230,000 as at 30 September 2024); and
- (vii) a premium of approximately 44.53% over the Group's audited consolidated net assets attributable to the Shareholders per Share of approximately HK\$0.311 as at 31 March 2024 (calculated based on (i) a total of 400,000,000 Shares as at the Latest Practicable Date and (ii) the Group's audited consolidated net assets attributable to the Shareholders of HK\$124,539,000 as at 31 March 2024).

Highest and lowest Share prices

During the Relevant Period:

- (i) the highest closing price of the Shares as quoted on the Stock Exchange was HK\$6.60 on 24 February 2025; and

- (ii) the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.203 per Share on 26 July 2024.

The Joint Offerors will acquire the Offer Shares tendered for acceptance by the Independent Shareholders in accordance with the terms of the Offer in the proportion of 34.00% by Purchaser 1, 33.00% by Purchaser 2, 16.50% by Purchaser 3 and 16.50% by Purchaser 4. Each of the Joint Offerors will pay for the Offer Shares tendered under the Offer according to the aforesaid proportion. In the event any fractional entitlements to the Offer Shares arises due to the proportionment, fractions of the Offer Shares will be aggregated and be acquired by Purchaser 1.

The Offer is unconditional in all aspects.

The Joint Offerors have confirmed that the Offer Price is final and will not be increased.

Dealings in securities in the Company

Save for the purchase of the Sales Shares, the entering into of the Subscription Agreement and having received valid acceptances up to the Latest Practicable Date in respect of a total of 44,000 Offer Shares under the Offer (assuming that the transfer of such 44,000 Offer Shares has been completed in accordance with the terms of the Offer), the Joint Offerors and Joint Offeror's Concert Parties have not dealt in the Shares, options, convertible securities, warrants or derivatives of the Company during the Relevant Period.

Value of the Offer

As at the Latest Practicable Date, there were 400,000,000 Shares in issue. On the basis of the Offer Price of HK\$0.45 per Offer Share, the entire issued share capital of the Company is valued at approximately HK\$180,000,000. Assuming that there is no change in the issued share capital of the Company and based on the Offer Price of HK\$0.45 per Offer Share, 118,930,000 Shares will be subject to the Offer and the maximum amount of cash payable by the Joint Offerors in respect of full acceptance of the Offer will be HK\$53,518,500.

Effect of accepting the Offer

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

As at the Latest Practicable Date, the Company did not have any dividends or distributions announced, declared, recommended or made but unpaid and the Board has no intention to declare or pay any future dividend or make other distributions prior to and including the Closing Date.

Acceptance of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Further details of the Offer

Please refer to the Offer Document and the Form of Acceptance for further details of the terms of the Offer and the procedures for acceptance.

INFORMATION ON THE GROUP

The Group is principally engaged in the wholesale and retail sales of Pre-paid Products in Hong Kong.

The following table is a summary of certain consolidated financial information of the Group for the two financial years ended 31 March 2023 and 31 March 2024 as extracted from the 2024 Annual Report, and for the six months ended 30 September 2023 and 30 September 2024 as extracted from the 2024 Interim Report:

	For the year ended		For the six months ended	
	31 March	31 March	30 September	30 September
	2023	2024	2023	2024
	HK\$ 000	HK\$ 000	HK\$ 000	HK\$ 000
	(audited)	(audited)	(unaudited)	(unaudited)
Revenue	204,568	252,383	129,004	98,542
Profit before taxation	4,450	17,274	13,041	827
Profit for the year attributable to owners of the Company	3,940	14,842	10,841	691
				As at 30
		As at 31 March	September	2024
		2023	2024	2024
		HK\$ 000	HK\$ 000	HK\$ 000
		(audited)	(audited)	(unaudited)
Net assets		169,697	124,539	105,230

After 31 March 2024 (being the date to which the latest published audited consolidated financial statements of the Group were made up) and up to and including the Latest Practicable Date, the Company has declared a special dividend of HK\$0.05 per Share on 20 September 2024 (with a total amount of HK\$20,000,000, which was paid on 17 October 2024). Save for the aforesaid special dividend, no other dividend has been declared by the Company after 31 March 2024 and up to and including the Latest Practicable Date. The Company does not have any intention to make, declare or pay any future dividends or make other distributions during the Offer Period.

Further details of the Group's financial information are set out in Appendix I to this Response Document.

Your attention is also drawn to the statement relating to the Profit Estimate as referred to in paragraph (a) of the section headed “Material Change” in Appendix I to this Response Document. As the Profit Estimate constitutes a profit forecast under Rule 10.6 of the Takeovers Code, it is required to be reported on in accordance with Rule 10.3 of the Takeovers Code. Please refer to the respective reports on the Profit Estimate by the auditor of the Company and Gram Capital in Appendix III and Appendix IV to this Response Document.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately prior to Acquisition Completion; (ii) immediately upon Acquisition Completion and as at the date of the Joint Announcement but prior to the Offer being made; and (iii) as at the Latest Practicable Date.

	Immediately prior to Acquisition Completion		Immediately upon Acquisition Completion and as at the date of the Joint Announcement but prior to the Offer being made		As at the Latest Practicable Date	
	Number of Shares	Approximate	Number of Shares	Approximate	Number of Shares	Approximate
		percentage (%)		percentage (%)		percentage (%)
Joint Offerors/Subscribers						
Purchaser 1	-	-	95,563,800	23.89	95,578,760 <i>(note 3(a))</i>	23.89
Purchaser 2	-	-	92,753,100	23.19	92,767,620 <i>(note 3(b))</i>	23.19
Purchaser 3	-	-	46,376,550	11.59	46,383,810 <i>(note 3(c))</i>	11.60
Purchaser 4	-	-	46,376,550	11.59	46,383,810 <i>(note 3(d))</i>	11.60
Sub-total of Joint Offerors/ Subscribers	-	-	281,070,000	70.26	281,114,000	70.28
Vendor	281,070,000	70.26	-	-	-	-
Public Shareholders						
Chan Hung Kai	20,014,000 <i>(note 1)</i>	5.00	20,014,000 <i>(note 1)</i>	5.00	105,100 <i>(note 2)</i>	0.02
Other public Shareholders	98,916,000	24.73	98,916,000	24.73	118,780,900	29.70
Sub-total of public Shareholders	118,930,000	29.73	118,930,000	29.73	118,886,000	29.72
Total	400,000,000	100.00	400,000,000	100.00	400,000,000	100.00

Notes:

- (1) Based on the disclosure of interest filing made by Chan Hung Kai on 30 October 2024, it appears that such Shareholder and/or two companies wholly-owned by such Shareholder (namely Asean Entertainment Group Limited and Ariza Company Limited) was/were interested in a total of 20,014,000 Shares at the material time.
- (2) Based on the disclosure of interest filing made by Chan Hung Kai on 22 January 2025, such Shareholder and/or two companies wholly-owned by such Shareholder (namely Asean Entertainment Group Limited and Ariza Company Limited) had sold an aggregate of 19,908,900 Shares on 21 January 2025 and became interested in less than 5% of the issued share capital of the Company. As any shareholder who is interested in less than 5% of the issued share capital of a listed company (excluding any shareholder who is also a director of the listed company) has no further obligation to make disclosure of interest filing under the SFO, it is uncertain whether such Shareholder and/or the two companies wholly-owned by such Shareholder remained interested in the above 105,100 Shares as at the Latest Practicable Date.
- (3)
 - (a) These 95,578,760 Shares include 14,960 Offer Shares validly accepted and attributable to Purchaser 1 (which would acquire 34.00% of the 44,000 Offer Shares tendered for acceptance in accordance with the terms of the Offer) under the Offer as at the Latest Practicable Date (assuming that the transfer of such 44,000 Offer Shares has been completed in accordance with the terms of the Offer).
 - (b) These 92,767,620 Shares include 14,520 Offer Shares validly accepted and attributable to Purchaser 2 (which would acquire 33.00% of the 44,000 Offer Shares tendered for acceptance in accordance with the terms of the Offer) under the Offer as at the Latest Practicable Date (assuming that the transfer of such 44,000 Offer Shares has been completed in accordance with the terms of the Offer).
 - (c) These 46,383,810 Shares include 7,260 Offer Shares validly accepted and attributable to Purchaser 3 (which would acquire 16.50% of the 44,000 Offer Shares tendered for acceptance in accordance with the terms of the Offer) under the Offer as at the Latest Practicable Date (assuming that the transfer of such 44,000 Offer Shares has been completed in accordance with the terms of the Offer).
 - (d) These 46,383,810 Shares include 7,260 Offer Shares validly accepted and attributable to Purchaser 4 (which would acquire 16.50% of the 44,000 Offer Shares tendered for acceptance in accordance with the terms of the Offer) under the Offer as at the Latest Practicable Date (assuming that the transfer of such 44,000 Offer Shares has been completed in accordance with the terms of the Offer).
- (4) The above percentage figures are subject to rounding adjustments. Accordingly, figures shown as total may not be an arithmetic aggregation of the figures preceding it.

INFORMATION ON THE JOINT OFFERORS

Reproduced below is the information of the Joint Offerors as extracted from the Offer Document (with appropriate adjustments to avoid confusion with defined terms in this Response Document but without changing the underlying meaning) for reference:

“Purchaser 1

210K Capital, LP is a limited partnership formed in the State of Delaware in August 2019 with limited liability and wide investor base and is principally engaged in investment holding services.

*The general partner of Purchaser 1 is UTXO Management GP, LLC, a limited liability company incorporated in State of Tennessee (“UTXO”). UTXO is owned as to approximately 33.34% by Mr. Tyler Matthew Evans (“**Mr. Tyler Evans**”), approximately 33.33% by Mr. David Forrest Bailey (“**Mr. David Bailey**”) and approximately 33.33% by Mr. Samuel Coyn Mateer (“**Mr. Samuel Mateer**”).*

Mr. Tyler Evans is a co-founder and Chief Investment Officer of UTXO. Mr. Tyler Evans is also a cofounder of parent company BTC Inc., publisher of Bitcoin Magazine and host of the annual Bitcoin conference. Mr. Tyler Evans has been investing in the Bitcoin ecosystem since 2013, is a mentor at the Bitcoin Startup Lab and the Draper BitcoinFi accelerator and serves on the board of Japanese listed company Metaplanet Inc. (3350: Tokyo Stock Exchange).

Mr. David Bailey is the co-founder and Chief Executive Officer of BTC Inc., and a General Partner at UTXO. Mr. David Bailey sits on the board of advisors for the University of Alabama and is a Board Member at Bitcoin Policy Institute.

Mr. Samuel Mateer is a founding partner at UTXO. Mr. Samuel Mateer has been investing and advocating for Bitcoin since early 2013. Prior to UTXO, Mr. Samuel Mateer was a partner at BTC Inc., where Mr. Samuel Mateer led treasury management, investor relations and fundraising activities. Mr. Samuel Mateer is also a founding member of the University of Alabama Board of Advisors.

Purchaser 2

Sora Valkyrie Limited is a company incorporated in the British Virgin Islands with limited liability on 15 November 2024, and is wholly-owned by Sora Ventures.

Sora Ventures is an exempted company incorporated in the Cayman Islands with limited liability on 8 January 2018.

Sora Investment Management Limited is the investment manager of Sora Ventures and holds 1 management share of Sora Ventures, representing the entire number of management share of Sora Ventures, as at 6 February 2025 (being the latest practicable date prior to the printing of the Offer Document for ascertaining certain information contained therein).

*Sora Investment Management Limited is an exempted company incorporated in the Cayman Islands with limited liability on 22 December 2017, and is wholly-owned by Mr. FANG, Jason Kin Hoi (“**Mr. Jason Fang**”).*

Mr. Jason Fang is the sole director of Purchaser 2, Sora Ventures and Sora Investment Management Limited.

Mr. Jason Fang is the founder of Sora Ventures, is known for his impactful role in advancing blockchain innovation in Asia.

Sora Ventures played a key role in creating the first “Asia’s MicroStrategy” partnered with Metaplanet Inc. (3350: Tokyo Stock Exchange), a Japanese listed company principally engaged in (i) Bitcoin investment and provision of Bitcoin related consultancy services; and (ii) hotel operation in Japan. With investments supporting over 30 companies in the Bitcoin utility sector in 2023 and 2024, Sora Ventures is dedicated to investing in infrastructure and utility projects within the Bitcoin ecosystem.

In addition to Sora Ventures, Mr. Jason Fang has been a driving force in the emerging DeSci space since early 2023, poised to become one of the most anticipated narratives in the year ahead for the digital asset ecosystem.

Purchaser 3

Top Legend SPC, an exempted company incorporated with limited liability on 30 May 2022 and registered as a segregated portfolio company incorporated in the Cayman Islands acting for and on behalf of one of its segregated portfolios Aces SP (being a fund incorporated in the Cayman Islands), in relation to the sale and purchase of the Sale Shares and the Offer.

*As at 6 February 2025 (being the latest practicable date prior to the printing of the Offer Document for ascertaining certain information contained therein), each of Mr. SIT, Hon (“**Mr. Sit**”) and Ms. TSANG, Karen Ka Yan (“**Ms. Tsang**”) holds 50 management shares of Top Legend SPC, representing the entire number of management shares of Top Legend SPC.*

Aces SP, as a segregated portfolio of Top Legend SPC, is not a legal entity. Any action of Aces SP shall be taken by Top Legend SPC acting on behalf of and for the account of Aces SP.

Aces SP is managed by Top Legend Global Investment Limited in its capacity as the investment manager.

Top Legend Global Investment Limited a company incorporated in the British Virgin Islands with limited liability on 28 July 2023, and is owned as to 50% by Mr. Sit and 50% by Ms. Tsang, respectively. Both Mr. Sit and Ms. Tsang are the directors of Top Legend Global Investment Limited.

Mr. Sit serves as the Investment Manager at Allied Top Investment Limited (being Purchaser 4) since April 2019. Mr. Sit invested in various types of financial assets such as private equity and stock loan. Before that, Mr. Sit was the Chief Operating Officer of a trading company, responsible for setting the strategy and overseeing business development for the luxury watches retail and wholesale company.

Ms. Tsang focuses on both pre-IPO and IPO investments, as well as fund raising for listed companies. Ms. Tsang is the founder of an investment firm, Legend Global Group Limited, which was founded in March 2015. She has led a numerous of successful investments in private equity, IPO, and secondary market.

Legend Global Group Limited is wholly-owned by Ms. Tsang, with its principal business being investment holding. Save for Ms. Tsang ownership, there is no relationship between Legend Global Group Limited and Top Legend Global Investment Limited.

Purchaser 4

Allied Top Investments Limited is a company incorporated in the British Virgin Islands with limited liability on 29 January 2018, and is wholly-owned by Mr. Sit. Allied Top Investments Limited is principally engaged in investment holding.

As at 6 February 2025 (being the latest practicable date prior to the printing of the Offer Document for ascertaining certain information contained therein), the directors of Purchaser 4 are Mr. Sit and Ms. WONG, Fung Yee Mary.”

INTENTIONS OF THE JOINT OFFERORS REGARDING THE GROUP

The information on the intention of the Joint Offerors regarding the Group extracted from the Offer Document is reproduced as below (with appropriate adjustments to avoid confusion with defined terms in this Response Document but without changing the underlying meaning):

“The Group is principally engaged in the wholesale and retail sales of pre-paid products (i.e. SIM card and top-up voucher) in Hong Kong targeted at Indonesian and Filipino consumers and Pre-paid Products targeted at mobile users who demand for local and international phone call and/or mobile data services in Hong Kong and overseas.

The Joint Offerors are of the view that the Company’s existing business operations have demonstrated a strong ability to generate consistent and sufficient cash flow, providing a solid financial foundation to support the strategic objectives of the new controlling Shareholders. This robust cash flow ensures the Company can maintain its operational stability and fulfill its ongoing commitments while simultaneously enabling investment into growth initiatives. With this financial strength, the Company is well-positioned to leverage the Joint Offerors’ existing resources and connections to explore cryptocurrency investments and opportunities in Web 3.0. Web 3.0 is the next generation of the internet that is decentralized, uses blockchain technology, and focuses on giving users more control over their data, privacy, and digital ownership. This alignment between the existing business’s performance and the new Shareholders’ strategic direction highlights the Company’s capacity to achieve sustainable growth while adapting to the evolving market landscape.

The Hong Kong government has been actively fostering the growth of the Web 3.0 and cryptocurrency industries through strategic initiatives and supportive policies. Recent efforts include the establishment of a dedicated Task Force on Promoting Web 3.0 Development, chaired by the Financial Secretary, to provide guidance on sustainable and responsible industry growth. Additionally, the government has allocated HK\$50 million in the 2023-2024 Budget to expedite the development of the Web 3.0 ecosystem and has implemented a robust regulatory framework for virtual asset service providers (VASPs) to balance innovation with investor protection. The prospects for Web 3.0 and cryptocurrency are highly promising, as these technologies are poised to revolutionize the digital economy by enabling decentralized finance (DeFi), tokenized assets, and enhanced data privacy. With its commitment to innovation and its position as a global financial hub, Hong Kong is well-positioned to lead in shaping the future of blockchain technology and digital assets, attracting international talent and investment.

Following the close of the Offer, it is the intention of the Joint Offerors that the Group will continue with its existing principal business and the Joint Offerors do not have any plan to downsize or change the scale of the Group's existing principal businesses. At the same time, it is the intention of the Joint Offerors to enhance the long-term growth potential of the Group by exploring investment opportunities relating to cryptocurrencies and blockchain projects, and it is expected that the Joint Offerors will put focus on Bitcoin (being the first and most prominent cryptocurrency) and blockchain projects that are related to Bitcoin, alongside adopting a long hold investment strategy. Save for considering the acquisition of Bitcoin, no other cryptocurrencies or blockchain projects are under consideration/negotiation as at 6 February 2025 (being the latest practicable date prior to the printing of the Offer Document for ascertaining certain information contained therein). This dual approach underscores the Company's commitment to both innovation and operational continuity.

Save for the Joint Offerors' intention regarding the Group as set out above, as at 6 February 2025 (being the latest practicable date prior to the printing of the Offer Document for ascertaining certain information contained therein), the Joint Offerors have no intention to (i) downsize, cease or dispose of any of the Company's existing businesses and operations; (ii) discontinue the employment of any employees of the Group (save for proposed change to the Board composition of the Company as set out below); (iii) introduce major changes to the principal business of the Company, including the dispose of or re-deploy the fixed assets of the Group other than those in its ordinary and usual course of business; and (iv) no material investment or business opportunity has been identified nor has the Joint Offerors entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group."

The Board is aware of the intention of the Joint Offerors in respect of the Group and its employees as stated in the Offer Document and is willing to render reasonable co-operation with the Joint Offerors during transitional period and continue to act in the best interests of the Company and the Shareholders as a whole.

Following the intention of the Joint Offerors to focus on Bitcoin and blockchain projects that are related to Bitcoin as stated in the above extract of the Offer Document, the Group had subsequently entered into transactions to purchase Bitcoin. As disclosed in the voluntary announcements of the Company dated 16 February 2025 and 23 February 2025 respectively, the Group purchased (i) an aggregate of 1 unit of Bitcoin on 13 February 2025 at an aggregate consideration of approximately HK\$750,000 (equivalent to approximately US\$96,150^(Note)) and (ii) approximately 7.88 units of Bitcoin on 20 February 2025 through a series of transactions at an aggregate consideration of approximately HK\$5,936,906.26 (equivalent to approximately US\$761,705.07^(Note)). The average cost of these approximately 8.88 units of Bitcoin (excluding transaction costs) was HK\$756,209.74 (equivalent to approximately US\$97,021.71^(Note)). All such purchases were conducted through an open market cryptocurrency exchange platform and financed by the internal resources of the Group, and were made with the consent of each of the Joint Offerors. The Company would comply with the relevant disclosure requirements under the Listing Rules in relation to future transactions by the Group regarding cryptocurrencies as and when appropriate.

Note: For the purpose of this Response Document, the exchange rate at HK\$1 = US\$0.1283 as mentioned in the voluntary announcement of the Company dated 23 February 2025 has been used for the purpose of illustration only.

Change of the Board composition

Pursuant to the Sale and Purchase Agreement, all the Directors (other than the New Directors) shall resign as Directors with effective date being not earlier than the earliest time permitted under the Takeovers Code.

As stated in the Offer Document, the Joint Offerors proposed to nominate new Directors to the Board subject to compliance with all the applicable regulatory requirements, including the Takeovers Code and the Listing Rules, and such nominees are Mr. David Bailey, Mr. John Riggins, Mr. Jason Fang and Ms. Mary Wong as new executive Directors. On 12 February 2025, Mr. David Bailey, Mr. John Riggins, Mr. Jason Fang and Ms. Mary Wong were appointed as new executive Directors. Any further changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcements will be made as and when appropriate.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The information on the intention of the Joint Offerors regarding maintaining the listing status of the Company extracted from the Offer Document is reproduced as below:

“The Joint Offerors intend to maintain the listing of the Shares on the Stock Exchange following the close of the Offer. The Joint Offerors do not intend to avail themselves of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer.

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

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

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

The Joint Offerors intend the Company to remain listed on the Stock Exchange. The directors of the Joint Offerors and the new Directors to be appointed to the Board of the Company have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Company’s shares.

The Joint Offerors will issue a separate announcement as and when necessary in this regard.”

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising all the non-executive Directors and independent non-executive Directors, who have no direct or indirect interest in the Offer, namely Mr. Ritchie Ma, Mr. Lam Kin Lun Davie, Ms. Cheung Yuet Ngo Flora, Mr. Lee Kwan

Ho, Vincent Marshall, Mr. Kwok Wai Leung, Stanley and Mr. Fok Kam Chau, has been established to make a recommendation to the Independent Shareholders in relation to the Offer, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

With the approval of the Independent Board Committee, Gram Capital has been appointed as the Independent Financial Adviser pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in connection with the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

RECOMMENDATION

Taking into account the terms of the Offer and the advice and recommendations from Gram Capital, the Independent Board Committee concurs with the view of the Independent Financial Adviser that the Offer (including the Offer Price) is not fair and not reasonable so far as the Independent Shareholders are concerned and accordingly, recommends the Independent Shareholders not to accept the Offer.

Your attention is drawn to:

- (i) the “Letter from the Independent Board Committee” as set out on pages 23 to 24 of this Response Document which contains the recommendations of the Independent Board Committee to the Independent Shareholders as to whether the Offer is, or is not, fair and reasonable and as to their acceptance of the Offer;
- (ii) the “Letter from Gram Capital” as set out on pages 25 to 42 of this Response Document which contains the advice of the Gram Capital to the Independent Board Committee in connection with the Offer and the principal factors considered by it in arriving at its advice;
- (iii) the “Report from the Auditor of the Company on the Profit Estimate” as set out in Appendix III to this Response Document; and
- (iv) the “Report from Gram Capital on the Profit Estimate” as set out in Appendix IV to this Response Document.

You are urged to read those letters and the additional information contained in the appendices to this Response Document carefully before taking any action in respect of the Offer.

ADDITIONAL INFORMATION

You are advised to read this Response Document together with the Offer Document and the Form of Acceptance in respect of the acceptance and settlement procedures of the Offer. Your attention is also drawn to the additional information contained in the appendices to this Response Document.

In considering what action to take in connection with the Offer, you should also consider your own tax positions, if any, and in case of any doubt, consult your professional advisers.

Yours faithfully,
By Order of the Board of
HK Asia Holdings Limited



Mr. Siu Muk Lung
Chairman and Executive Director