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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

**If you have sold or transferred** all your shares in China Castson 81 Finance Company Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities mentioned herein.

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### China Castson 81 Finance Company Limited

中國鑄晨81金融有限公司

*(Continued into Bermuda with limited liability)*

(Stock Code: 810)

**(I) PROPOSED RIGHTS ISSUE ON THE BASIS OF  
FIVE (5) RIGHTS SHARES FOR EVERY TWO (2) SHARES  
HELD ON THE RECORD DATE  
ON A NON-FULLY UNDERWRITTEN BASIS;**

**(II) CONNECTED TRANSACTION  
IN RELATION TO THE UNDERWRITING AGREEMENT;**

**(III) APPLICATION FOR WHITEWASH WAIVER;**

**AND**

**(IV) NOTICE OF SPECIAL GENERAL MEETING**

Financial adviser to the Company



Independent Financial Adviser to the Independent Board Committee and  
the Independent Shareholder



INCU Corporate Finance Limited

Placing agent to the Company



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A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 49 to 50 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 51 to 83 of this circular.

The notice convening the SGM of China Castson 81 Finance Company Limited to be held at Flat 18, 9/F., Block B, Focal Industrial Centre, 21 Man Lok Street, Hunghom, Kowloon, Hong Kong on Monday, 2 March 2026, at 11:00 a.m. or at any adjournment thereof is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for use at the SGM is enclosed with this circular.

Whether or not you intend to attend the SGM, you are requested to complete the enclosed form of proxy and indicate voting instruction in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event no less than forty-eight (48) hours before the time for holding the SGM (i.e. by 11:00 a.m. on Saturday, 28 February 2026) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjournment thereof if you so wish.

**It should be noted that the Underwriting Agreement contains provisions entitling the Underwriter by notice in writing to the Company served prior to 4:00 p.m. on Tuesday, 14 April 2026 to terminate the obligations of the Underwriter thereunder on the occurrence of certain events. Such events are set out in the section headed "Termination of the Underwriting Agreement" of this circular. If (i) the Underwriter terminates the Underwriting Agreement or (ii) the Underwriting Agreement does not become unconditional, the Rights Issue will not proceed.**

27 January 2026

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## DEFINITIONS

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*In this circular, the following expressions have the meanings set out below unless the context requires otherwise:*

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Announcement”	the announcement of the Company dated 19 December 2025 in relation to, among other things, the Rights Issue, the Underwriting Agreement and the respective transactions contemplated thereunder as well as the Whitewash Waiver
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturdays, Sundays and public holidays) on which licensed banks in Hong Kong are open for general business
“Bye-laws”	the existing bye-laws of the Company as adopted by a special resolution passed on 31 July 2012 and amended by a special resolution passed on 27 June 2022
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time in force
“Company”	China Castson 81 Finance Company Limited (中國鑄晨81金融有限公司), a limited liability company continued into Bermuda as an exempted company under the laws of Bermuda whose issued Shares are listed on the Stock Exchange (stock code: 810)
“Compensatory Arrangements”	the compensatory arrangements pursuant to Rule 7.21(1)(b) of the Listing Rules as described in the section headed “Procedures in respect of the Unsubscribed Rights Shares and the ES Unsold Rights Shares and the Compensatory Arrangements” in this circular
“connected persons”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Dr. Lam”	Dr. Lam Man Chan, the chairman of the Board and a non-executive Director, a substantial Shareholder and the ultimate beneficial owner of the Underwriter

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## DEFINITIONS

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“ES Unsold Rights Share(s)”	the Rights Share(s) which would otherwise has/have been provisionally allotted to the Excluded Shareholders (if any) in nil-paid form that has/have not been sold by the Company
“Excluded Board”	the Board, other than (i) the members of the Independent Board Committee whose opinion is set forth in the Letter from the Independent Board Committee in this circular after considering the advice from the Independent Financial Adviser, and (ii) Dr. Lam, a non-executive Director who is considered to be directly or indirectly interested in the Rights Issue, the Underwriting Agreement and the respective transactions contemplated thereunder, as well as the Whitewash Waiver arising from his shareholding in the Underwriter, which in effect comprises Mr. Lee Kwok Leung only
“Excluded Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Shares to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegate(s)
“Goodchamp” or “Underwriter”	Goodchamp Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, is ultimately wholly-owned by Dr. Lam
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising the non-executive Directors other than Dr. Lam (who has direct or indirect interest in the Rights Issue, the Underwriting Agreement and the respective transactions contemplated thereunder as well as the Whitewash Waiver arising from his shareholding in the Underwriter), namely Dr. Ng Chi Yeung, Simon, Mr. Tam Yuk Sang, Sammy, and Ms. Law So Fun, all being independent non-executive Directors, to advise the Independent Shareholders as to whether the Rights Issue and the transactions contemplated thereunder as well as the Whitewash Waiver are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole, and as to voting at the SGM

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## DEFINITIONS

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“Independent Placee(s)”	the independent placee(s), who and whose ultimate beneficial owner(s) shall be (i) Independent Third Party(ies) and (ii) professional investor(s) (as defined under the SFO) with subscription size of at least HK\$500,000; and none of the placees shall be a party acting in concert with Goodchamp (being the Underwriter) and/or Dr. Lam or other placees
“Independent Financial Adviser”	INCU Corporate Finance Limited, a corporation licensed by the Securities and Futures Commission to conduct Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and the independent financial adviser to the Independent Board Committee and the Independent Shareholders
“Independent Shareholder(s)”	the Shareholder(s) other than (i) Goodchamp, Dr. Lam and parties acting in concert with either of them; and (ii) those Shareholders who are interested in (other than as Shareholders) or involved in the Rights Issue, the Underwriting Agreement and/or the Whitewash Waiver
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons
“Investment Manager”	Success Advance Investments Limited, a corporation licensed to carry on Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities under the SFO, being the investment manager of the Company
“Irrevocable Undertaking”	the irrevocable undertaking given by Goodchamp and Dr. Lam in favour of the Company, details of which is set out in the paragraph headed “Irrevocable Undertaking” in this circular
“Last Trading Day”	Friday, 19 December 2025, being the last trading day of the Shares on the Stock Exchange immediately prior to the release of the Announcement
“Latest Practicable Date”	23 January 2026, being the latest practicable date before the printing of this circular for the purpose of ascertaining certain information contained herein
“Latest Time for Acceptance”	Friday, 27 March 2026 or such later time or date as may be agreed between the Company and the Underwriter in writing, being the latest time for acceptance of, and payment for, the Rights Shares as described in the Prospectus Documents

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## DEFINITIONS

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“Latest Time for Termination”	4:00 p.m. on Tuesday, 14 April 2026 or such later time or date as may be agreed between the Company and (i) the Underwriter in writing, which shall be the latest time for termination of the Underwriting Agreement or (ii) the Placing Agent in writing, which shall be the latest time for termination of the Placing Agreement
“Listing Committee”	has the same meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited
“Macau”	Macau Special Administrative Region
“Net Gain”	the aggregate of any premiums (being the aggregate amount paid by the placees after deducting the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares and ES Unsold Rights Shares placed by the Placing Agent and/or its sub-placing agent(s) under the Placing Agreement) under the Compensatory Arrangements
“No Action Shareholders”	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed, and/or the Excluded Shareholders (if any)
“Overseas Shareholders”	Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares (if any) on a best effort basis by the Placing Agent and/or its sub-placing agent(s) to the Independent Placee(s) during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Kingston Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) regulated activity under the SFO
“Placing Agreement”	the placing agreement dated 19 December 2025 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Period”	the period commencing from Thursday, 2 April 2026 and ending at 4:00 p.m. on Monday, 13 April 2026

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## DEFINITIONS

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“PRC”	the People’s Republic of China, and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be issued by the Company to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL
“Prospectus Posting Date”	Friday, 13 March 2026 or such other date as may be determined by the Company, being the date of which the Prospectus Documents are made available to the Qualifying Shareholders and the Prospectus for information only to the Excluded Shareholders
“Public Float Requirement”	the public float requirement under Rule 13.32B of the Listing Rules
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Excluded Shareholder(s)
“Record Date”	Thursday, 12 March 2026 or such other date as may be determined by the Company, being the date for determining entitlements of the Shareholders to participate in the Rights Issue
“Registrar”	Tricor Investor Services Limited, the Company’s Hong Kong branch share registrar and transfer office, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Relevant Period”	the period commencing six months prior to the date of the Announcement (i.e. 19 June 2025) and ending on the Latest Practicable Date
“Rights Issue”	the proposed issue by way of rights on the basis of five (5) Rights Shares for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Prospectus Documents
“Rights Share(s)”	up to 509,107,967 Shares (assuming no change in the number of Existing Shares in issue on or before the Record Date) to be allotted and issued pursuant to the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

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## DEFINITIONS

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“SGM”	the special general meeting of the Company to be convened and held at Flat 18, 9/F., Block B, Focal Industrial Centre, 21 Man Lok Street, Hunghom, Kowloon, Hong Kong on Monday, 2 March 2026 at 11:00 a.m. to consider, and, if thought fit, to approve, among other things, the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder as well as the Whitewash Waiver
“Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.102 per Rights Share
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Underwriting Agreement”	the conditional underwriting agreement dated 19 December 2025 entered into between the Company and the Underwriter in relation to the Rights Issue
“Underwritten Shares”	up to 381,000,000 Rights Shares to be underwritten by the Underwriter pursuant to the Underwriting Agreement
“United States”	United States of America
“Unsubscribed Rights Shares”	the Rights Shares that are not subscribed by the Qualifying Shareholders or holders of nil-paid rights, other than the Rights Shares subscribed by Goodchamp pursuant to the Irrevocable Undertaking
“Whitewash Waiver”	a waiver to be granted by the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code to waive the obligation of the Underwriter to make a mandatory general offer to the Shareholders in respect of the Shares not already owned or agreed to be acquired by the Underwriter, Dr. Lam and parties acting in concert with either of them as a result of the taking up of the Underwritten Shares by the Underwriter pursuant to the Underwriting Agreement
“%”	per cent.



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## EXPECTED TIMETABLE

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Set out below is the expected timetable for the Rights Issue. All times and dates stated in this circular refer to Hong Kong local times and dates. The expected timetable is indicative only and may be varied. Any changes to the expected timetable will be announced by way of an announcement by the Company as and when appropriate.

Events	Time and date (Hong Kong Time)
Latest time for lodging transfer documents of the Shares to qualify for attendance and voting at the SGM.....	4:30 p.m. on Monday, 23 February 2026
Closure of register of members of the Company to determine entitlement to attend and vote at the SGM (both days inclusive) .....	Tuesday, 24 February 2026 to Monday, 2 March 2026
Latest time for lodging proxy forms for the SGM.....	11:00 a.m. on Saturday, 28 February 2026
Record Date for attending and voting at the SGM. ....	Monday, 2 March 2026
Expected time and date of the SGM .....	11:00 a.m. on Monday, 2 March 2026
Announcement of poll results of the SGM .....	at or before 7:00 p.m. on Monday, 2 March 2026
Register of members of the Company re-opens.....	Tuesday, 3 March 2026
Last day of dealings in the Shares on a cum-rights basis of the Rights Issue. ....	Tuesday, 3 March 2026
First day of dealings in the Shares on an ex-rights basis of the Rights Issue. ....	Wednesday, 4 March 2026
Latest time for lodging transfer of Shares in order to be qualified for the Rights Issue .....	4:30 p.m. on Thursday, 5 March 2026
Closure of register of members of the Company to determine the entitlement to the Rights Issue (both days inclusive) .....	Friday, 6 March 2026 to Thursday, 12 March 2026

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## EXPECTED TIMETABLE

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Record Date to determine entitlements to the Rights Issue .....	Thursday, 12 March 2026
Register of members of the Company re-opens. ....	Friday, 13 March 2026
Despatch of the Prospectus Documents (including the PAL and Prospectus) (in case of the Non-Qualifying Shareholders, the Prospectus only) .....	Friday, 13 March 2026
First day of dealings in nil-paid Rights Shares .....	Tuesday, 17 March 2026
Latest time for splitting of PALs. ....	4:30 p.m. on Thursday, 19 March 2026
Last day of dealings in nil-paid Rights Shares .....	Tuesday, 24 March 2026
Latest time for acceptance of and payment for the Rights Shares .....	4:00 p.m. on Friday, 27 March 2026
Announcement of the number of Unsubscribed Rights Shares and ES Unsold Rights Shares subject to Compensatory Arrangements. ....	Wednesday, 1 April 2026
Commencement of placing of Unsubscribed Rights Shares and ES Unsold Rights Shares by the Placing Agent, on a best-effort basis. ....	Thursday, 2 April 2026
Latest time of placing of Unsubscribed Rights Shares and ES Unsold Rights Shares by the Placing Agent, on a best-effort basis. ....	Monday, 13 April 2026
Latest time for the termination of the Underwriting Agreement and the Placing Agreement for the Rights Issue .....	4:00 p.m. on Tuesday, 14 April 2026
Announcement of results of the Rights Issue including the results of the Placing and the Net Gain .....	Monday, 20 April 2026
Despatch of share certificates of fully-paid Rights Shares and/or refund cheques, if any, in respect of wholly or partially unsuccessful applications .....	Tuesday, 21 April 2026
Commencement of dealings in fully-paid Rights Shares .....	9:00 a.m. on Wednesday, 22 April 2026

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## EXPECTED TIMETABLE

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Designated broker starts to stand in the market to

provide matching services for odd lots of the Rights Shares . . . . . 9:00 a.m. on  
Wednesday, 22 April 2026

Payment of Net Gain to relevant No Action Shareholders

and Non-Qualifying Shareholders (if any). . . . . Tuesday, 12 May 2026

Designated broker ceases to provide matching services

for odd lots of the Rights Shares . . . . . 4:00 p.m. on  
Tuesday, 19 May 2026

### **EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES**

The Latest Time for Acceptance will not take place if a tropical cyclone warning signal no. 8 or above, or “extreme conditions” or a “black” rainstorm warning is:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Friday, 27 March 2026. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day;
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Friday, 27 March 2026. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on Friday, 27 March 2026, the dates mentioned in the expected timetable may be affected. The Company will notify the Shareholders by way of announcement on any change to the expected timetable as soon as practicable.

### **EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE DATE OF THE SGM**

If at any time after 7:00 a.m. on the date of the SGM, Typhoon Signal Number 8 or above or a Black Rainstorm Warning or Extreme Conditions is hoisted or remains hoisted in Hong Kong, the SGM will be postponed or adjourned. The Company will post an announcement on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<http://www.irasia.com/listco/hk/810>) and (<http://www.hk0810.com.hk>) to notify the Shareholders of the date, time and place of the rescheduled meeting.

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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If, prior to the Latest Time for Termination, there shall develop, occur, arise, exist, or come into effect:

- (i) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever after the signing of the Underwriting Agreement that materially and adversely affects the Company;
- (ii) any local, national or international event or change (whether or not forming part of a series of events or changes occurring before the signing of the Underwriting Agreement and/or continuing after the signing of the Underwriting Agreement) of a social, political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets;
- (iii) any material adverse change after the signing of the Underwriting Agreement in the business or in the financial or trading position of any member of the Group;
- (iv) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, act of terrorism, strike or lock-out;
- (v) the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange whether due to exceptional financial circumstances or otherwise, other than the publication of the announcement(s) relating to the Rights Issue;
- (vi) any change or any development involving a prospective change or any event or circumstance likely to result in a change or development involving a prospective change, in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the People's Republic of China or other jurisdiction relevant to any member of the Group and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States) occurs;
- (vii) the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or the Takeovers Code or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company in compliance with the Listing Rules;
- (viii) any order or petition for the winding up of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or a scheme of arrangement entered into by any member of the Group or any resolution for the winding-up of any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group;

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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- (ix) any litigation, dispute, legal action, arbitration, proceeding or claim of any third party being threatened or instigated against any member of the Group that materially and adversely affects the Company;
- (x) a creditor takes possession of all or a material part of the business or asset of any member of the Group or any execution or other legal process is enforced against all or a material part of the business or assets of any member of the Group and is not discharged within (7) days or such longer period as the Underwriter may approve, or
- (xi) any event which, individually or in aggregate, in the absolute opinion of the Underwriter:
  - (a) has had or is/are likely to have a material adverse effect on the business or financial or trading position or prospects of the Group as a whole; or
  - (b) is/are likely to have a material adverse effect on the success of the Rights Issue or the level of the Rights Shares “taken up”; or
  - (c) make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (i) any breach of any of the warranties or undertakings or any omission to observe any of the obligations or undertakings contained in the Underwriting Agreement above comes to the knowledge of the Underwriter; or
- (ii) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the representations, warranties and undertakings contained in the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

**If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. A further announcement would be made by the Company if the Underwriting Agreement is terminated by the Underwriter.**

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## LETTER FROM THE BOARD

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### China Castson 81 Finance Company Limited

### 中國鑄晨81金融有限公司

(Continued into Bermuda with limited liability)

(Stock Code: 810)

*Executive Director:*

Mr. Lee Kwok Leung

*Non-executive Director:*

Dr. Lam Man Chan (*Chairman*)

*Independent Non-executive Directors:*

Dr. Ng Chi Yeung, Simon

Mr. Tam Yuk Sang, Sammy

Ms. Law So Fun

*Registered office:*

Victoria Place

5th Floor, 31 Victoria Street

Hamilton HM 10, Bermuda

*Principal place of business in Hong Kong:*

Flat 18, 9/F. Block B, Focal Industrial Centre

21 Man Lok Street, Hunghom, Kowloon

Hong Kong

27 January 2026

*To the Shareholders,*

Dear Sir or Madam,

**(I) PROPOSED RIGHTS ISSUE ON THE BASIS OF  
FIVE (5) RIGHTS SHARES FOR EVERY TWO (2) SHARES  
HELD ON THE RECORD DATE  
ON A NON-FULLY UNDERWRITTEN BASIS;**

**(II) CONNECTED TRANSACTION  
IN RELATION TO THE UNDERWRITING AGREEMENT;**

**(III) APPLICATION FOR WHITEWASH WAIVER;**

**AND**

**(IV) NOTICE OF SPECIAL GENERAL MEETING**

#### INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the Rights Issue, the Underwriting Agreement and the Whitewash Waiver.

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with, among other things, (i) further details of the Rights Issue (including the Placing Agreement), the Underwriting Agreement and the respective transactions contemplated thereunder as well as the Whitewash Waiver; (ii) a letter of recommendation from the Independent Board Committee in respect of the Rights Issue (including the Placing Agreement), the Underwriting Agreement and the respective transactions contemplated thereunder as well as the Whitewash Waiver and to advise the Independent Shareholders on how to vote at the SGM; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in regard to the aforesaid; (iv) other information required under the Listing Rules and the Takeovers Code; and (v) a notice convening the SGM.

### PROPOSED RIGHTS ISSUE

The Company proposes to raise gross proceeds of up to approximately HK\$51.93 million (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date) by issuing up to 509,107,967 Rights Shares at the Subscription Price of HK\$0.102 per Rights Share on the basis of five (5) Rights Shares for every two (2) Shares held on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholder(s) (if any).

Details of the Rights Issue are set out below:

#### **Rights Issue statistics**

Basis of the Rights Issue	: five (5) Rights Shares for every two (2) Shares held on the Record Date
Subscription Price	: HK\$0.102 per Rights Shares
Number of Shares in issue as at the Latest Practicable Date	: 203,643,187 Shares
Number of Rights Shares	: up to 509,107,967 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Nominal value of the Rights Shares	: Up to HK\$5,091,079.67 (assuming no change in the number of Shares in issue on or before the Record Date)
Number of Shares in issue as enlarged by the allotment and issue of the Rights Shares	: 712,751,154 Shares (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)

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## LETTER FROM THE BOARD

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- Gross proceeds from the Rights Issue : approximately HK\$51.93 million before expenses (assuming full subscription under the Rights Issue and assuming no change in number of Shares in issue on or before the Record Date)
- Net proceeds from the Rights Issue : approximately HK\$49.24 million after expenses (assuming full subscription under the Rights Issue and assuming no change in number of Shares in issue on or before the Record Date)
- Net price (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) : approximately HK\$0.0967 per Rights Share (assuming full subscription under the Rights Issue and no change in the number of Shares)
- Rights of excess application : There will be no excess application arrangements in relation to the Rights Issue.
- Compensatory Arrangements : Any Unsubscribed Rights Shares and ES Unsold Rights Shares (if any) will be placed to the Independent Placees on a best effort basis under the Compensatory Arrangements.
- Any Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) which are not placed under the Compensatory Arrangements will be underwritten by Goodchamp up to 381,000,000 Rights Shares.
- Number of Underwritten Shares : Up to 381,000,000 Rights Shares, representing approximately 74.84% of the total Rights Shares, to be underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement

As at the Latest Practicable Date, the Group had no outstanding derivatives, options, warrants, conversion rights or other similar rights which were convertible into or giving rights to subscribe for, convert or exchange into any Shares.

Assuming no change in the number of issued Shares on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 509,107,967 Rights Shares to be issued pursuant to the terms of the Rights Issue represent (i) 250% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) 71.43% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.



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## LETTER FROM THE BOARD

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### **Non-fully underwritten basis**

The Rights Issue is only partially underwritten by the Underwriter. Pursuant to the Bye-laws and the laws of Bermuda, there is no minimum requirement on the minimum subscription level or minimum amount to be raised under the Rights Issue. Subject to fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed regardless of the ultimate subscription level. In the event that the Rights Issue is not fully-subscribed, any Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) will be placed to the Independent Placees on a best effort basis by the Placing Agent under the Compensatory Arrangements. Any Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) which are not placed under the Compensatory Arrangements will be underwritten by Goodchamp up to 381,000,000 Rights Shares.

### **Subscription Price**

The Subscription Price is HK\$0.102 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 25.00% to the closing price of HK\$0.1360 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 26.62% to the closing price of HK\$0.1390 per Share as quoted on the Stock Exchange on the Last Trading Day (i.e., 19 December 2025);
- (iii) a discount of approximately 30.80% to the average of the closing prices of HK\$0.1474 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 31.08% to the average of the closing prices of approximately HK\$0.1480 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 9.41% to the theoretical ex-rights price of approximately HK\$0.1126 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.1390 per Share as quoted on the Stock Exchange on the Last Trading Day;

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## LETTER FROM THE BOARD

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- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 22.73% to the existing Shareholders if they elect not to participate in the Rights Issue, which is calculated based on the theoretical ex-rights price of approximately HK\$0.1156 per Share and the benchmarked price of approximately HK\$0.1496 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.1390 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of approximately HK\$0.1496 per Share);
- (vii) a discount of approximately 46.32% to the Group's audited consolidated net assets attributable to the Shareholders per Share of approximately HK\$0.19 as at 31 December 2024 (based on a total of 169,707,187 Shares as at the 31 December 2024 and the Group's audited consolidated total equity attributable to owners of the Company of approximately HK\$31,862,000 as at 31 December 2024);
- (viii) a discount of approximately 21.54% to the unaudited consolidated net asset value per Share of approximately HK\$0.13 as at 31 December 2025 as disclosed in the Company's announcement dated 15 January 2026 as required under the Listing Rules, calculated based on the Group's unaudited consolidated net assets value attributable to owners of the Company of approximately HK\$27,156,000 and 203,643,187 Shares in issue as at 31 December 2025); and
- (ix) a discount of approximately 27.14% to the unaudited adjusted consolidated net asset value per Share of approximately HK\$0.14 (calculated based on the Company's unaudited adjusted consolidated net asset value attributable to owners of the Company of approximately HK\$27,743,000 as at 31 December 2025 (the "**Adjusted NAV**") and 203,643,187 Shares in issue as at 31 December 2025. The Adjusted NAV is calculated based on the Group's unaudited consolidated net assets value attributable to owners of the Company of approximately HK\$27,156,000 as at 31 December 2025, plus the net difference (i.e. approximately HK\$587,000) between the unaudited book value of the properties of the Group as at 31 December 2025 (i.e. approximately HK\$7,203,000) and market value (i.e. approximately HK\$7,790,000) of the properties of the Group as at 30 November 2025 as set out in the valuation report under Appendix III of this circular).

### **Determination of the Subscription Price**

The Subscription Price was determined by the Company with reference to, among others, (i) recent closing prices of the Shares under prevailing market conditions; (ii) recent liquidity of the Shares; (iii) current business performance and financial position of the Group; and (vi) the reasons as discussed in the section headed "REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS" below in this circular.

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## LETTER FROM THE BOARD

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In determining the Subscription Price, the Excluded Board considered, among other thing as mentioned above, the fluctuated closing price and low liquidity of the Shares over the six months preceding the Last Trading Day (i.e., from 19 June 2025 to the day before Last Trading Day, the “**Review Period**”). During the Review Period, the highest closing price per Share was HK\$0.165 on 6 October 2025, while the lowest closing price per Share was HK\$0.130 on 20 June 2025 respectively. The closing price per Share on Last Trading Day of HK\$0.139, decreased by approximately 15.76% as compared to the highest closing price per Share of HK\$0.165 on 6 October 2025, although the closing price per Share on the Last Trading Day represents an increase of approximately 6.92% compared to the lowest closing price per Share of HK\$0.130 on 20 June 2025 respectively. The Excluded Board noticed that there were fluctuation of closing price of the Share during October 2025. The closing price of the Share increased from HK\$0.135 on 3 October 2025 to HK\$0.165 on 6 October 2025, being the first trading day following the Company announced placing of new shares (details of which please refer to the Company’s announcement dated 3 October 2025), subsequently fell to HK\$0.143 on 13 October 2025, and then rose to HK\$0.164 on 17 October 2025, following the Company announced the net asset value of the Group as at 30 September 2025 on 15 October 2025 (details which please refer to the Company’s announcement dated 15 October 2025). In addition, the average daily trading volume of the Shares during the Review Period was approximately 698,621 Shares, representing approximately 0.34% of the total issued shares as at the Last Trading Day, representing a low trading volume of the Shares.

Furthermore, according to the annual report of the Company for the year ended 31 December 2024, the loss for the year attributable to owners of the Company was approximately HK\$21.60 million, representing an increase of approximately 242.31% compared to approximately HK\$6.31 million for the year ended 31 December 2023. According to the interim report of the Company for the six months ended 30 June 2025, the loss for the period attributable to owners of the Company narrowed from approximately HK\$14.37 million for the six months ended 30 June 2024 to approximately HK\$3.82 million for the six months ended 30 June 2025. However, the bank and cash balances of the Group decreased from approximately HK\$4.27 million as at 31 December 2024 to approximately HK\$304,000 as at 30 June 2025 and the unaudited net assets of the Company as at 30 June 2025 were approximately HK\$28.05 million, representing a decrease of approximately 11.96% compared to approximately HK\$31.86 million as at 31 December 2024.

To assess the fairness and reasonableness of the Subscription Price, the Excluded Board conducted market research for rights issue transactions announced by companies listed on the Stock Exchange from 1 September 2025 up to the Last Trading Day (the “**Criteria**”). The Review Period of approximately three months prior to and including the Last Trading Day was determined to illustrate recent practices in rights issue transactions conducted by Hong Kong listed companies during a period close to and including the Last Trading Day. Based on the search on the Stock Exchange’s website, the Excluded Board identified 27 rights issue transactions (the “**Comparables**”) which met the aforesaid Criteria, and they are exhaustive. The Excluded Board considered that notwithstanding that the businesses, operations and prospects of the Company are not the same as the subject companies of the Comparables and without any independent verification with regard to the businesses and operations of such companies, the Comparables illustrate recent rights issue transactions conducted by Hong Kong listed companies during a period close to and including the Last Trading Day.

## LETTER FROM THE BOARD

Set out below is an exhaustive list of the Comparables announced during the Review Period:

Company	Stock code	Date of initial announcement	Rights issue basis	Expected maximum gross proceeds HK\$ million	Premium/(discount) of the subscription price to the closing price per share for the last five consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "LTD Discount") %	Premium/(discount) of the subscription price to the closing price per share for the last ten consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "5-Day Discount") %	Premium/(discount) of the subscription price to the average closing price per share for the last five consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "10-Day Discount") %	Premium/(discount) of the subscription price to the average closing price per share for the last ten consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "TERP Discount") %	Premium/(discount) of the subscription price to the average closing price per share for the last ten consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "NAV Discount") %	Theoretical dilution effect %	Excess application/Compensatory arrangements	Underwriting arrangement	Underwriting commission
1. Shun Wo Group Holdings Limited	1591	12/12/2025	1 for 3	18.67	(6.70)	(3.40)	(3.40)	NA	(54.80)	1.67	Excess application	No	NA
2. Hang Yick Holdings Company Limited	1894	11/12/2025	4 for 1	84.70	(28.13)	(27.67)	(26.75)	(7.26)	(84.67)	22.5	Compensatory arrangements	No	NA
3. Crown International Corporation Limited	727	21/11/2025	3 for 1	620.00	(19.75)	(26.14)	(27.00)	(5.80)	(44.85)	19.53	Excess application	No	NA
4. SILKWAVE INC	471	19/11/2025	3 for 1	174.34	(31.06)	(32.29)	(31.58)	(10.13)	(62.81)	24.51	Excess application	No	NA
5. Domane Power Holdings Limited	442	12/11/2025	1 for 2	61.0	(17.44)	(15.88)	(17.15)	(12.35)	65.12	5.81	Excess application	No	NA
6. Winto Group (Holdings) Limited	8238	6/11/2025	3 for 1	52.25	(6.98)	(6.10)	NA	(1.96)	NA	5.12	Compensatory arrangements	No	NA
7. Zhongshi Minan Holdings Limited	8283	4/11/2025	5 for 1	100.8	(23.91)	(25.69)	(25.69)	(4.89)	(64.68)	21.67	Compensatory arrangements	No	NA
8. KNT Holdings Limited	1025	21/11/2025	1 for 1	40.4	(9.09)	(10.71)	(13.79)	(4.76)	48.15	9.39	Compensatory arrangements	No	NA

## LETTER FROM THE BOARD

	Company	Stock code	Date of initial announcement	Rights issue basis	Expected maximum gross proceeds HK\$ million	Premium/(discount) of the subscription price to the closing price per share for the last five consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "LTID Discount") %	Premium/(discount) of the subscription price to the closing price per share for the last ten consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "5-Day Discount") %	Premium/(discount) of the subscription price to the average closing price per share for the last five consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "10-Day Discount") %	Premium/(discount) of the subscription price to the average closing price per share for the last ten consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "TERP Discount") %	Premium/(discount) of the subscription price to the net assets attributable to owners of the Company in relation to the respective rights issue (the "NAV Discount") %	Theoretical dilution effect %	Excess application/Compensatory arrangements	Underwriting arrangement	Underwriting commission
9.	IRC Limited	1029	24/10/2025	1 for 2	325.9	(16.39)	(17.21)	(17.21)	(12.17)	(61.10)	9.76	Compensatory arrangements	No	NA
10.	Sandmartin International Holdings Limited	482	24/10/2025	1 for 1	92.3	2.70	(9.00)	(11.50)	NA	NA	5.99	Excess application	No	NA
11.	Jiading International Group Holdings Limited	8153	24/10/2025	1 for 2	6.93	(38.78)	(37.11)	NA	(29.69)	NA	12.93	Compensatory arrangements	No	NA
12.	Crocodile Garments Limited	122	22/10/2025	1 for 2	53.3	(22.68)	(22.44)	(22.92)	(16.34)	(92.46)	7.56	Excess application	No	NA
13.	World Super Holdings Limited	8612	17/10/2025	3 for 1	31.1	23.46 (Note 1)	19.05 (Note 1)	NA (Note 1)	5.26 (Note 1)	669.23 (Note 1)	Nil (Note 1)	Compensatory arrangements	Yes	2.50
14.	Synertone Communication Corporation	1613	15/10/2025	2 for 1	121.2	(35.71)	(35.71)	(36.68)	(15.63)	(43.75)	23.81	Compensatory arrangements	No	NA
15.	Winshine Science Company Limited	209	15/10/2025	7 for 1	182	(23.50)	(24.30)	(27.10)	(4.10)	NA	21.1	Excess application	Yes	2.50
16.	Hao Bai International (Cayman) Limited	8431	9/10/2025	4 for 1	38.21	(19.23)	(27.08)	(26.31)	(4.55)	59.09	23.24	Compensatory arrangements	No	NA

# LETTER FROM THE BOARD

	Company	Stock code	Date of initial announcement	Rights issue basis	Expected maximum gross proceeds HK\$ million	Premium/(discount) of the subscription price to the average closing price per share for the last five consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "LTD Discount") %	Premium/(discount) of the subscription price to the average closing price per share for the last ten consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "10-Day Discount") %	Premium/(discount) of the subscription price to the average closing price per share for the last ten consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "TERP Discount") %	Premium/(discount) of the subscription price to the net theoretical ex-rights price per share based on the closing price in relation to the respective rights issue (the "NAV Discount") %	Theoretical dilution effect %	Excess application/Compensatory arrangements	Underwriting arrangement	Underwriting commission	
17.	CCIAM Future Energy Limited	145	9/10/2025	1 for 2	18.68	(18.62)	(19.05)	(19.90)	(13.07)	(6.13)	6.63	Compensatory arrangements	No	NA
18.	Fire Rock Holdings Limited	1909	5/10/2025	1 for 2	151.68	(20.20)	(27.85)	(24.40)	(14.59)	195.74 (Note 2)	9.13	Compensatory arrangements	Yes	Nil
19.	Macau Legend Development Limited	1680	3/10/2025	1 for 2	93.00	(45.45)	(44.44)	(46.43)	(36.17)	(88.46)	15.79	Excess application	Yes	3%
20.	China New Economy Fund Limited	80	2/10/2025	1 for 2	230.95	(29.29)	(27.23)	(28.13)	(21.70)	775.00 (Note 2)	9.7	Excess application	No	NA
21.	Perfetech International Holdings Limited	765	26/9/2025	1 for 2	48.22	(18.06)	(20.70)	(19.84)	(12.72)	152.14 (Note 2)	6.99	Excess application	No	NA
22.	Gameone Holdings Limited	8282	22/9/2025	1 for 2	11.40	1.69	(0.99)	(2.91)	1.12	(3.23)	0.55	Excess application	Yes	0.5
23.	Immunotech Biopharm Ltd	6978	19/9/2025	1 for 5	307.84	(47.70)	(47.79)	(50.23)	(43.18)	NA (Note 2)	8.05	Excess application	Yes	1.45
24.	Zhong Jia Guo Xin Holdings Company Limited	899	15/9/2025	2 for 1	43.33	(33.64)	(35.23)	(42.59)	(14.45)	(97.87)	24.78	Compensatory arrangements	No	NA

## LETTER FROM THE BOARD

	Company	Stock code	Date of initial announcement	Rights issue basis	Expected maximum gross proceeds HK\$ million	Premium/(discount) of the subscription price to the average closing price per share for the last five consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "LTD Discount") %	Premium/(discount) of the subscription price to the average closing price per share for the last ten consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "10-Day Discount") %	Premium/(discount) of the subscription price to the average closing price per share for the last ten consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "TERP Discount") %	Premium/(discount) of the subscription price to the average closing price per share for the last ten consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "NAV Discount") %	Theoretical dilution effect %	Excess application/Compensatory arrangements	Underwriting arrangement	Underwriting commission	
25.	China Automotive Interior Decoration Holdings Limited	48	10/9/2025	3 for 2	34.1	(29.73)	(29.27)	(28.81)	(14.47)	(88.13)	17.84	Compensatory arrangements	Yes	4.5
26.	Aeso Holding Limited	8341	4/9/2025	2 for 1	17.6	(25.70)	(23.10)	(26.00)	(10.35)	(83.00)	17.12	Compensatory arrangements	No	NA
27.	Many Idea Cloud Holdings Limited	6696	4/9/2025	6 for 1	273.8	(22.08)	(24.56)	(26.88)	(4.94)	(90.53)	20.63	Compensatory arrangements	No	NA
	Minimum				6.93	(47.70)	(47.79)	(50.23)	(43.18)	(97.87)	Nil			Nil
	Median				53.30	(22.08)	(25.56)	(26.16)	(12.26)	(61.96)	9.76			0.27
	Maximum				620.00	23.46	19.05	(2.91)	5.26	65.12	24.78			4.50
	Average				117.10	(20.81)	(22.29)	(25.13)	(12.36)	(44.12)	13.03			1.08
	Company				51.93	(26.62)	(30.80)	(31.08)	(9.41)	(27.14)	22.73	Compensatory arrangements	Yes	Nil

*Notes:*

1. The premium rates of the subscription price over the net asset value per issued share of the relevant Comparables are exceptionally high and considered as outliers, and are therefore excluded from the calculation of the premium/discount rates of the subscription price relative to the net assets value per share of the Comparables.
2. The relevant comparable shows a premium of approximately HK\$2.223 over the unaudited consolidated net liabilities attributable to the shareholders as at 30 June 2025. Accordingly, such a premium rate over the net liabilities is considered an outlier and has therefore been excluded from the calculation of the premium/discount rates of the subscription price relative to the net asset value per share of the relevant comparables.

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## LETTER FROM THE BOARD

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As shown in the above table, the expected maximum gross proceeds from the Comparables range from HK\$6.93 million to HK\$620.00 million, with an average of approximately HK\$117.10 million, where the size of the fundraising of the Company is within the range of the comparables. It observed that the discounts of the LTD Discount, 5-Day Discount, 10-day Discount, TERP Discount and the NAV Discount of the Company of approximately 26.62%, 30.80%, 31.08%, 9.41% and 27.14%, respectively, are below the minimum of the Comparables of approximately 47.70%, 47.79%, 50.23%, 43.18% and 97.87%, respectively. The theoretical dilution effect of the Company of approximately 22.73% is below the maximum of the Comparables of approximately 24.78%.

Taking into account the fluctuated closing prices and low liquidity of the Shares during the Review Period, as well as the weak financial performance of the Group as analysed above, the Excluded Board believes that it is reasonable for the Company to offer the Subscription Price, determined at a discount to the prevailing closing prices of the Shares, with the aim of lowering the investment cost of the Qualifying Shareholders. This is intended to encourage them to take up their entitlements to maintain their shareholdings in the Company, thereby minimising any dilution impact.

In addition, having considered (i) all Qualifying Shareholders are provided with an equal opportunity to subscribe for their assured entitlements under the Rights Issue at a relatively low price as compared to the historical market price of the Shares and at a discount to the recent closing prices of the Shares; and (ii) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue are able to sell the nil-paid Rights Shares in the market. As such, despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the Excluded Board considers that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Qualifying Shareholders**

The Company will make available the Prospectus Documents to the Qualifying Shareholders only. For the Excluded Shareholders, the Company will send copies of the Prospectus to them for their information only, but no PAL will be sent to the Excluded Shareholders. To qualify for the Rights Issue, a Shareholder must at the close of business on the Record Date: (i) be registered as a Shareholder of the Company on the register of members of the Company; and (ii) not be an Excluded Shareholder.

Beneficial owners whose Shares are held by nominee companies (or held in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Beneficial owners with their Shares held by nominee companies (or held in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as a member of the Company on the Record Date, a Shareholder must lodge the relevant transfer(s) of the Share(s) (with the relevant share certificates) for registration with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by 4:30 pm on Thursday, 5 March 2026.



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## LETTER FROM THE BOARD

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The last day of dealing in the Shares on cum-rights basis is Tuesday, 3 March 2026. The Shares will be dealt with on an ex-rights basis from Wednesday, 4 March 2026.

**Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Excluded Shareholders should note that their shareholdings in the Company will be diluted.**

### **Rights of Overseas Shareholders**

The Prospectus will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders, if any, may not be eligible to take part in the Rights Issue. For the avoidance of doubt, the Overseas Shareholders, if any, are entitled to attend and vote at the SGM regardless of their eligibility to participate in the Rights Issue.

The Company notes the requirements specified in the notes to Rule 13.36(2)(a) of the Listing Rules and is in the process of making reasonable enquiries regarding the feasibility of extending the Rights Issue to Overseas Shareholders present on the Record Date. If, after such enquiries, the Company is of the opinion that it would be necessary or expedient, on account of the legal restrictions or prohibitions under the laws of the relevant jurisdictions or any requirements of the relevant regulatory body or stock exchange in such jurisdictions, not to offer the Rights Shares to the relevant Overseas Shareholders, no provisional allotment of nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. Such Overseas Shareholders will be regarded as Excluded Shareholders and will not qualify for the Rights Issue. The basis of exclusion of Excluded Shareholders, if any, will be disclosed in the Prospectus.

As at the Latest Practicable Date, there were no Overseas Shareholder.

**Overseas Shareholders should note that they may or may not be entitled to the Rights Issue subject to the results of the enquiries made by the Company pursuant to the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.**

### **The Excluded Shareholders**

The Company will not extend the Rights Issue to the Excluded Shareholders. Accordingly, no provisional allotment of Rights Shares will be made to the Excluded Shareholders and the Excluded Shareholders will not be entitled to apply for Rights Shares.

The Company will send the Prospectus Documents to the Qualifying Shareholders only and will, subject to the advice given in the legal opinions provided by the Company's legal advisers in the relevant overseas jurisdictions of Overseas Shareholders, if any, and to the extent reasonably practicable, send the Prospectus (excluding the PAL) to the Excluded Shareholders for information purposes only.

As at the Latest Practicable Date, there were no Excluded Shareholder.

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## LETTER FROM THE BOARD

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### **Basis of provisional allotment**

The basis of the provisional allotment shall be five (5) Rights Shares for every two (2) Shares in issue and held by the Qualifying Shareholders at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

### **Entitlements to the Rights Shares**

The Company will not provisionally allot and will not accept application for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated and rounded down to the nearest whole number and will be disposed by the Company in the open market if a premium (net of expenses) can be obtained.

### **Odd lot arrangement**

In order to facilitate the trading of odd lots (if any) of the Shares, the Company will appoint a securities firm as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Shares to make up a full board lot, or to dispose of their holding of odd lots of the Shares. Details of the odd lots arrangement will be set out in the Prospectus to be despatched to the Shareholders.

**Holders of odd lots of the Shares should note that the matching of the sale and purchase of odd lots of the Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.**

### **Status of the Rights Shares**

The Rights Shares, when allotted, issued and fully paid, shall rank pari passu in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment of the Rights Shares in their fully-paid form.

### **Procedures in respect of the Unsubscribed Rights Shares and ES Unsold Rights Shares and the Compensatory Arrangements**

Goodchamp, a substantial shareholder of the Company as at the time of conducting the Rights Issue, will act as the Underwriter. Pursuant to Rule 7.21(2) of the Listing Rules, the Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Rights Shares and ES Unsold Rights Shares (if any) by offering the Unsubscribed Rights Shares and ES Unsold Rights Shares (if any) to the Independent Placees for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. Accordingly, on 19 December 2025 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares (if any) to the Independent Placees on a best effort basis.

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## LETTER FROM THE BOARD

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Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and ES Unsold Rights Shares (if any) during the Placing Period to the Independent Placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders on a pro rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Monday, 13 April 2026, subscribers for all (or as many as possible) of those Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any). Any Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) which are not placed under the Compensatory Arrangements will be underwritten by Goodchamp up to 381,000,000 Rights Shares.

Net Gain (if any) will be paid (without interest) to the No Action Shareholders as set out below on pro rata basis (but rounded down to the nearest cent):

- A. the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and
- B. the relevant Excluded Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders become entitled on the basis described above to an amount of HK\$100 or more, such amount will be paid to the relevant No Action Shareholder(s) in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefits.

### **Placing Agreement for the Unsubscribed Rights Shares and ES Unsold Rights Shares**

Principal terms of the Placing Agreement are summarised as follows:

<b>Date</b>	: 19 December 2025 (after trading hours of the Stock Exchange)
<b>Issuer</b>	: The Company
<b>Placing Agent</b>	: Kingston Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) regulated activity under the SFO, was appointed as the Placing Agent to procure, on a best effort basis, placees to subscribe for the Unsubscribed Rights Shares and ES Unsold Rights Shares during the Placing Period.  The Placing Agent has confirmed that it is the Independent Third Party, and not acting in concert with Goodchamp (being the Underwriter), and/or Dr. Lam and any parties acting in concert with either of them.
<b>Placing Period</b>	: The period commencing from Thursday, 2 April 2026 and ending at 4:00 p.m. on Monday, 13 April 2026.

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## LETTER FROM THE BOARD

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- Commission and expenses** : Subject to completion of the Placing, the Company shall pay to the Placing Agent a placing commission in Hong Kong Dollars, of 2.5% of the amount which is equal to the placing price multiplied by the number of Unsubscribed Rights Shares and ES Unsold Rights Shares (if any) that have been successfully placed by the Placing Agent and/or its sub-placing agent(s) pursuant to the terms of the Placing Agreement. Assuming none of the Qualifying Shareholders has taken up their entitled Rights Shares (other than those subscriptions pursuant to the Irrevocable Undertaking) and all Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) have been placed by the Placed Agent, the total placing commission will be approximately HK\$1.07 million in cash to be deducted from the gross proceeds of the Rights Issue.
- Placing price of the Unsubscribed Rights Shares and ES Unsold Rights Shares** : The placing price of the Unsubscribed Rights Shares and ES Unsold Rights Shares (if any) shall be not less than the Subscription Price.
- The final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares and ES Unsold Rights Shares (if any) during the process of placement.
- Placees** : The Unsubscribed Rights Shares and ES Unsold Rights Shares (if any) are expected to be placed to the Independent Placee(s).
- The Placing will not have any implications under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing. The Company will continue to comply with the Public Float Requirement upon completion of the Placing and the Rights Issue. The Placing Agent shall also ensure the Placing will not result in the Company incapable of complying with the Public Float Requirements immediately following the Placing.
- Ranking of the placed Unsubscribed Rights Shares and ES Unsold Rights Shares** : The placed Unsubscribed Rights Shares and ES Unsold Rights Shares (when allotted, issued and fully paid, if any) shall rank *pari passu* in all respects among themselves and with the Shares in issue as at the date of completion of the Rights Issue.
- Conditions of the Placing Agreement** : The obligations of the Placing Agent under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled:

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## LETTER FROM THE BOARD

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- (i) the passing of the Independent Shareholders at the SGM of (a) ordinary resolution to approve the Underwriting Agreement, the Rights Issue and the respective transactions contemplated thereunder (more than 50% of the Independent Shareholders either in person or by proxy at the SGM by way of poll); and (b) special resolution to approve the Whitewash Waiver (at least 75% of the Independent Shareholders either in person or by proxy at the SGM by way of poll) in accordance with the Listing Rules and the Takeovers Code by no later than the Prospectus Posting Date;
- (ii) the Executive granting the Whitewash Waiver to the Underwriter and the satisfaction of any condition attached to the Whitewash Waiver granted;
- (iii) the Underwriting Agreement having been entered into by the parties thereto and having become unconditional and not terminated pursuant to the terms of the Underwriting Agreement;
- (iv) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully paid forms (subject to customary conditions) and such approval not having been withdrawn or revoked;
- (v) all necessary consents and approvals to be obtained on the part of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated hereunder having been obtained;
- (vi) none of the representations, warranties or undertakings contained in this Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the Placing Completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect as if it were repeated as at the time of the Placing Completion; and
- (vii) the Placing Agreement not having been terminated in accordance with the provisions thereof.

None of the above conditions is capable of being waived.

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## LETTER FROM THE BOARD

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In the event that the above condition precedents have not been fulfilled on or before the Latest Time for Termination, all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing save for any antecedent breach and/or any rights or obligations which may accrue under the Placing Agreement prior to such termination.

### **Termination**

: Notwithstanding anything contained in the Placing Agreement, the Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to the Latest Time for Termination upon the occurrence of the following events which, in the reasonable opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Unsubscribed Rights Shares and the ES Unsold Rights Shares or otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (a) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industry, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's reasonable opinion would affect the success of the Placing; or
- (b) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would affect the success of the Placing; or
- (c) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's reasonable opinion any such new law or change may affect the business or financial prospects of the Group and/or the success of the Placing; or

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## LETTER FROM THE BOARD

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- (d) any litigation or claim being instigated against any member of the Group or its senior management, which has or may affect the business or financial position of the Group and which in the Placing Agent's reasonable opinion would affect the success of the Placing; or
- (e) any breach of any of the representations and warranties given by the Company as set out in the Placing Agreement having come to the knowledge of the Placing Agent or any event having occurred or any matter having arisen on or after the date of the Placing Agreement and prior to the completion of the Rights Issue which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in a material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (f) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

The terms of the Placing Agreement (including the placing commission thereof) were determined after arm's length negotiation between the Company and the Placing Agent with reference to the size of the Rights Issue and the prevailing market rate of commission and are on normal commercial terms. The Excluded Board considers that the terms of the Placing Agreement are fair and reasonable.

Given that the Compensatory Arrangements would provide a compensatory mechanism for the No Action Shareholders, the Excluded Board considers that the Compensatory Arrangements are in the interest of the Shareholders.

### **Share certificates and refund cheques for the Rights Issue**

Subject to fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered addresses, at their own risks, on or before Tuesday, 21 April 2026. If the Rights Issue does not become unconditional, refund cheques are expected to be despatched on or before Tuesday, 21 April 2026 to the applicants without interest to their registered addresses by ordinary post at their own risks.

### **The Irrevocable Undertaking**

As at the Latest Practicable Date, Goodchamp is legally and beneficially interested in 35,305,770 Shares. Pursuant to Irrevocable Undertaking, each of Goodchamp and its ultimate beneficial owner, Dr. Lam has given an irrevocable undertaking in favour of the Company, that:

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## LETTER FROM THE BOARD

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- (i) Goodchamp will, and Dr. Lam will procure Goodchamp to, subscribe for 88,264,425 Rights Shares which comprise the full acceptance of his provisional entitlement in respect of the 35,305,770 Shares held by it;
- (ii) Goodchamp will not, and Dr. Lam will procure Goodchamp not to, dispose of any of the 35,305,770 Shares comprising the current shareholding in the Company owned by them and such Shares will remain wholly and beneficially owned by them up to and including the Record Date; and
- (iii) Goodchamp will, and Dr. Lam will procure Goodchamp to, lodge the acceptance of the 88,264,425 Rights Shares, which will be the number of Rights Shares provisionally allotted to it nil-paid under the Rights Issue, with the Registrar, with payment in full therefor, by no later than the Latest Time for Acceptance or otherwise in accordance with the instructions set out in the Prospectus Documents.

Save for the Irrevocable Undertaking, as at the Latest Practicable Date, the Board has not received any information or irrevocable undertaking from any other Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them.

### **Application for listing of the Rights Shares**

The Company will apply to the Stock Exchange for the approval for the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. No securities of the Company in issue or the Rights Shares for which listing or permission to deal is to be sought is listed or dealt in on any other stock exchange.

Rights Shares in both their nil-paid and fully-paid forms will be traded in board lots of 6,000 Shares.

### **Rights Shares will be eligible for admission into CCASS**

Subject to the granting of approval for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) are expected to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates 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 trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders whose Shares are held through CCASS should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.



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## LETTER FROM THE BOARD

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### Stamp duty and other applicable fees

Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

### Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Excluded Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

### Conditions of the Rights Issue

The Rights Issue is conditional upon the Underwriting Agreement having become unconditional and not being terminated in accordance with the terms thereof.

## THE UNDERWRITING AGREEMENT

The Rights Issue will be partially underwritten by Goodchamp as the Underwriter in accordance with the terms and conditions of the Underwriting Agreement. The principal terms and conditions of the Underwriting Agreement are set out below:

**Date** : 19 December 2025

**Parties** : (i) the Company; and  
(ii) Goodchamp as the Underwriter

**Underwriter** : Goodchamp, which is a substantial Shareholder interested in 35,305,770 Shares, representing approximately 17.34% of the issued share capital of the Company as at the Latest Practicable Date, and is ultimately owned by Dr. Lam (who is the chairman of the Board and a non-executive Director as at the Latest Practicable Date). Therefore, the Underwriter and Dr. Lam are connected persons of the Company according to Chapter 14A of the Listing Rules.

The Underwriter is not in the ordinary course of business to underwrite securities and confirms that it has complied with Rule 7.19(1)(b) of the Listing Rules.

The Underwriter shall ensure the underwriting will not result in the Company incapable of complying with the Public Float Requirements immediately following the Placing and the underwriting.

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## LETTER FROM THE BOARD

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<b>Number of Rights Shares to be underwritten by the Underwriter</b>	:	Up to 381,000,000 Rights Shares (being all the Underwritten Shares excluding the 88,264,425 Shares under the Irrevocable Undertaking), being approximately 74.84% of the total Rights Shares.
<b>Underwriting commission</b>	:	The Underwriter will not receive any underwriting commission.

The terms of the Underwriting Agreement were determined after arm's length negotiations between the parties, taking into account the financial position of the Group, the size of the Rights Issue, the current and expected market conditions and the prevailing market rates of underwriting commission.

To assess the fairness and reasonableness of the underwriting commission, the Excluded Board conducted market research to identify an exhaustive list of 27 Comparables as set out in the paragraph headed "Determination of the Subscription Price" under the section headed "Proposed Rights Issue" above.

The Excluded Board noted that the underwriting commissions for these Comparables ranged from nil to 4.50%. Having considered the terms of the Underwriting Agreement, including that no commission is payable to the Underwriter, the Excluded Board is of the view that term of the Underwriting Agreement (including the underwriting commission) is fair and reasonable as far as the Shareholders are concerned, and the transactions contemplated under the Underwriting Agreement are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole.

### Conditions of the Underwriting Agreement

The Underwriting Agreement is conditional upon the fulfilment (or waiver, if applicable, by the Underwriter) of the following conditions:

- (i) the passing by the Independent Shareholders at the SGM of (a) ordinary resolution to approve the Underwriting Agreement, the Rights Issue and the respective transactions contemplated thereunder (more than 50% of the Independent Shareholders either in person or by proxy at the SGM by way of poll); and (b) special resolution to approve the Whitewash Waiver (at least 75% of the Independent Shareholders either in person or by proxy at the SGM by way of poll) in accordance with the Listing Rules and the Takeovers Code by no later than the Prospectus Posting Date;
- (ii) the Executive granting the Whitewash Waiver to the Underwriter and the satisfaction of any condition attached to the Whitewash Waiver granted;
- (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the approval for the listing of and permission to deal in the Rights Shares (in their nil-paid and fully-paid forms) by no later than the first day of their dealings;
- (iv) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of the Prospectus Documents each duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolutions of the Directors (and all other documents required to be attached) in electronic format and otherwise in compliance

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## LETTER FROM THE BOARD

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with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) not later than the Prospectus Posting Date;

- (v) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Excluded Shareholders, if any, for information purposes only explaining the circumstances in which they are not permitted to participate in the Rights Issue by no later than the Prospectus Posting Date;
- (vi) the Underwriting Agreement not having been terminated by the Underwriter pursuant to the terms of the Underwriting Agreement on or before the Latest Time for Termination; and
- (vii) due compliance with and performance by the Company of all undertakings and obligations in all material respects under the terms of the Underwriting Agreement and all representations and warranties thereunder remain to be true and accurate in all material respects.

None of the above conditions can be waived. If any of the conditions referred to above are not fulfilled by the Latest Time for Termination, the Rights Issue will not proceed.

As at the Latest Practicable Date, none of the conditions have been satisfied.

### **Termination of the Underwriting Agreement**

If, prior to the Latest Time for Termination, there shall develop, occur, arise, exist, or come into effect:

- (i) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever after the signing of the Underwriting Agreement that materially and adversely affects the Company;
- (ii) any local, national or international event or change (whether or not forming part of a series of events or changes occurring before the signing of the Underwriting Agreement and/or continuing after the signing of the Underwriting Agreement) of a social, political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets;
- (iii) any material adverse change after the signing of the Underwriting Agreement in the business or in the financial or trading position of any member of the Group;
- (iv) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, act of terrorism, strike or lock-out;

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## LETTER FROM THE BOARD

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- (v) the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange whether due to exceptional financial circumstances or otherwise, other than the publication of the announcement(s) relating to the Rights Issue;
- (vi) any change or any development involving a prospective change or any event or circumstance likely to result in a change or development involving a prospective change, in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the People's Republic of China or other jurisdiction relevant to any member of the Group and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States) occurs;
- (vii) the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or the Takeovers Code or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company in compliance with the Listing Rules;
- (viii) any order or petition for the winding up of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or a scheme of arrangement entered into by any member of the Group or any resolution for the winding-up of any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group;
- (ix) any litigation, dispute, legal action, arbitration, proceeding or claim of any third party being threatened or instigated against any member of the Group that materially and adversely affects the Company;
- (x) a creditor takes possession of all or a material part of the business or asset of any member of the Group or any execution or other legal process is enforced against all or a material part of the business or assets of any member of the Group and is not discharged within (7) days or such longer period as the Underwriter may approve, or
- (xi) any event which, individually or in aggregate, in the absolute opinion of the Underwriter:
  - (a) has had or is/are likely to have a material adverse effect on the business or financial or trading position or prospects of the Group as a whole; or
  - (b) is/are likely to have a material adverse effect on the success of the Rights Issue or the level of the Rights Shares "taken up"; or
  - (c) make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,

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## LETTER FROM THE BOARD

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the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (i) any breach of any of the warranties or undertakings or any omission to observe any of the obligations or undertakings contained in the Underwriting Agreement above comes to the knowledge of the Underwriter; or
- (ii) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the representations, warranties and undertakings contained in the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

**If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. A further announcement would be made by the Company if the Underwriting Agreement is terminated by the Underwriter.**

### **CLOSURE OF REGISTER OF MEMBERS FOR SGM**

The register of members of the Company will be closed from Tuesday, 24 February 2026 to Monday, 2 March 2026 (both days inclusive) for determining the Shareholders' entitlements to attend and vote at the SGM. No transfer of Shares will be registered during the above book closure period. The record date will be Monday, 2 March 2026.

### **CLOSURE OF REGISTER OF MEMBERS FOR RIGHTS ISSUE**

The register of members of the Company will be closed from Friday, 6 March 2026 to Thursday, 12 March 2026 (both dates inclusive) for determining the Shareholders' entitlements to the Rights Issue. No transfer of Shares will be registered during the above book closure period. The record date will be Thursday, 12 March 2026.

### **REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS**

The Company is an investment company listed on the Main Board of the Stock Exchange under Chapter 21 of the Listing Rules. It is principally engaged in investment in equity and debt securities of listed and unlisted companies.

The primary objective of Company is to achieve capital appreciation as well as generate income from interests and dividends by investing in listed and unlisted companies in the PRC, Hong Kong and Macau, United States, Asia-Pacific Region and any other appropriate countries and/or capital markets as the Board may direct from time to time. The Company also intends to invest in unlisted companies with the potential to seek a listing on the Stock Exchange or any overseas stock exchanges.

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## LETTER FROM THE BOARD

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Since the second half of 2024, capital market sentiment in Hong Kong and the PRC has shown signs of recovery despite the continuing geopolitical tension and other macroeconomic uncertainties. Hang Seng Stock Index has steadily increased and exceeded 27,000 level in October 2025 for the first time in four years. At the Central Economic Work Conference of the PRC, the PRC Government intends to promote industrial innovation through scientific and technological innovation, especially using disruptive and cutting-edge technologies to give birth to new industries, new models, new momentum, and to enhance productivity. To deliver better returns to its Shareholders and expand its investment portfolio, the Group has adopted prudent but proactive approach, actively identifying and pursuing potential business opportunities.

According to the annual report of the Company for the year ended 31 December 2024, the Group has incurred administrative expenses and general operation expenses of approximately HK\$11.76 million for the year ended 31 December 2024. However, the bank and cash balances were low and recorded approximately HK\$304,000 as at 30 June 2025, according to the interim report of the Company. Accordingly, the net proceeds from the Rights Issue are essential to address the Group's funding needs and to cover ongoing operational needs. At the same time, the net proceeds from the Rights Issue will also strengthen the Group's financial position, enabling it to pursue attractive growth opportunities in line with its principal business of investment management.

### Use of Proceeds

The Company has identified a potential investment opportunity and entered into a memorandum of understanding with the target company in relation to the possible investment of not more than HK\$5,500,000 to acquire equity interest in the target company on 1 September 2025. The target company is a company incorporated in the PRC with limited liabilities. It is mainly engaged in providing high-quality integrated new energy solutions, specializing in the investment, construction and operation of new energy sectors (photovoltaics, inverters, energy storage, charging stations microgrids and hydrogen energy). Photovoltaics is inevitable trend in the development of the global energy industry and industrial structure adjustment, often referred to as the "third industry revolution (第三次工業革命)". China, as one of the largest energy consumers in the world, has included "photovoltaic poverty alleviation & distributed photovoltaics (光伏扶貧&分佈式光伏)" in its economy strategy, actively encouraging the development of distributed photovoltaics at the policy level. Taking into above, the Board believes that the target company will be a valuable investment opportunity. Details of the memorandum of undertaking are set out in the announcement of the Company dated 1 September 2025.

As at the Latest Practicable Date, the Company is conducting a due diligence review on the target company and has not entered into any undertaking or formal agreement for the investment.

Besides, the Board considers that investment in artificial intelligence (AI) technologies may yield strong returns, particularly as costs continue to decline and applications expand from digital platforms into physical environments. In addition, the Stablecoins Ordinance (Cap. 656 of the laws of Hong Kong), which came into effect on 1 August 2025, has established a licensing regime for fiat-referenced stablecoin issuers in Hong Kong. This Ordinance represents a significant step forward in enhancing the regulatory framework for digital asset activities, safeguarding monetary and financial stability, and further strengthening Hong Kong's position as an international financial centre. Accordingly, the Board will consider investment opportunities in these sectors where appropriate.

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## LETTER FROM THE BOARD

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The Board will continue to explore other investment opportunities for the Company, seek to expand the Company's business. In the implementation of the aforesaid intentions, the Company will ensure compliance with the requirements under Chapter 21 of the Listing Rules (including the restrictions under Rules 21.04(3)(a) and (b) of the Listing Rules).

Save for the above, the Company has not identified any particular potential investments or opportunities and currently does not have any intention, negotiation, agreement, arrangement and understanding (concluded or otherwise) in relation thereof. In addition, as at the Latest Practicable Date, neither Goodchamp, Dr. Lam nor any person acting in concert with either of them has made any arrangements with Shareholders or enter into arrangements to purchase or sell securities of the Company.

Owing to the business nature of the Company, being an investment company, the Company requires extensive cash to grow. Unlike other companies with regular cash revenues from operations, investments of investment companies under Chapter 21 of the Listing Rules do not necessarily generate sufficient cash for its operations and its cash position is largely dependent on the market conditions and its investment strategies. The Excluded Board considers that the cash position on hand will not be sufficient for the Company to capture suitable investment opportunities as they arise in the near future, hence the Rights Issue is being undertaken with a view to strengthening the capital base of the Company and providing it with readily available funds for capturing suitable investment opportunities in a timely fashion to provide investment returns to the Company and Shareholders as well as additional financial resources to support its long-term business strategy and investment objectives.

In view of above, the Excluded Board considers that it is commercially reasonable to obtain external financing to strengthen its capital structure and expand its investment portfolio with a view to achieving improvement of the Group's future business prospects, and to facilitate its general working capital.

The Excluded Board considers that the Rights Issue provides a good opportunity for the Group to strengthen its capital base and to enhance its financial position, while at the same time the Rights Issue will enable all Shareholders to participate in the future development of the Company on equal terms. Since the Rights Issue will allow the Qualifying Shareholders to maintain their respective pro rata shareholdings in the Company and therefore avoid dilution, the Excluded Board considers that it is in the interests of the Company and the Shareholders as a whole to raise capital through the Rights Issue.



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## LETTER FROM THE BOARD

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**However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings will be diluted.**

The net proceeds of the Rights Issue, assuming full subscription, will be up to approximately HK\$49.24 million (assuming no change in number of Shares in issue on or before Record Date). Having considered the above, the Company intends to apply the net proceeds from the Rights Issue as follows:

- (i) approximately 70% (or approximately HK\$34.47 million) for investment in listed securities and unlisted securities, including but not limited to the acquisition of equity interest in the target company engaged in new energy solutions (companies that engaged in principal businesses including but not limited to photovoltaics, renewable energy, hydrogen energy, energy storage, and related innovative fields), AI and digital assets as mentioned above. As at the Latest Practicable Date, save for the memorandum of undertaking entered into by the Company in relation to the potential investment in the acquisition of an equity interest in the target company as mentioned above, no formal agreement has been entered into in respect of any potential investment; and
- (ii) approximately 30% (or approximately HK\$14.77 million) for the general working capital of the Group, including the payment for staff costs, professional fees, administrative expenses and other operating expenses.

In the event that there is an undersubscription of the Rights Issue, the use of proceeds raised from the Rights Issue will be allocated on a pro rata basis for the purposes disclosed above, i.e. (i) approximately 70% of the net proceeds from the Rights Issue will be used for investment in listed securities and unlisted securities, including but not limited to investment prospects in the acquisition of equity interest in the target company engaged in new energy solutions, AI and digital assets as mentioned above; and (ii) approximately 30% of the net proceeds from the Rights Issue will be used for the general working capital of the Group, including the payment for staff cost, professional fees, administrative expenses and other operating expenses. Further details of the use of proceeds will be disclosed by the Company in the announcement of results of the Rights Issue.

### **Rights Issue as the preferred fundraising activity of the Group**

The Excluded Board has considered various ways of raising funds and believes that the Rights Issue is the most efficient way in terms of time and costs for the Company. The Excluded Board considers it is prudent to finance the Group's long-term growth by long-term financing, preferably in the form of equity which will not increase the Group's finance costs.



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## LETTER FROM THE BOARD

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The Excluded Board has considered other fundraising alternatives before resolving the Rights Issue, including but not limited to the disposal of the Group's existing listed securities investments, debt financing, placing and open offer. The Group's investment portfolio had a carrying amount of approximately HK\$20.23 million as at 30 June 2025 (details of which are set out in Appendix V of this circular). Even if the entire portfolio were disposed of, the proceeds would be insufficient to meet the targeted net proceeds of the Rights Issue (approximately HK\$49.24 million). Debt financing will result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner. As for equity fundraising, such as placing of new Shares, it is relatively smaller in scale as compared to fundraising through rights issue and it would lead to immediate dilution in the shareholding interest of the existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company. As for open offer, while it is similar to a rights issue and offer Qualifying Shareholders to participate, it does not allow free trading of rights entitlements in the open market. On the other hand, the Excluded Board considers that the Rights Issue, being pre-emptive in nature, would allow all Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain, increase or decrease their respective pro rata shareholdings in the Company by taking up only their respective rights entitlement, acquiring additional rights entitlement or disposing of their rights entitlements in the open market (subject to availability).

The Excluded Board considers that the terms of the Rights Issue are fair and reasonable and raising funds through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

### **EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE**

Assuming there is no further issue or repurchase of Shares from the Latest Practicable Date up to and including the date of completion of the Rights Issue, the table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Rights Issue assuming full acceptance by all Shareholders; (iii) immediately upon completion of the Rights Issue, assuming none of the Qualifying Shareholders have taken up any entitled Rights Shares (other than those subscriptions pursuant to the Irrevocable Undertaking) and all the Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) have been placed by the Placing Agent; and (iv) immediately upon completion of the Rights Issue, assuming none of the Qualifying Shareholders have taken up any entitled Rights Shares (other than those subscriptions pursuant to the Irrevocable Undertaking) and none of the Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) have been placed by the Placing Agent, all the Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) were subscribed for through the Underwriter up to the Underwritten Shares, for illustrative purpose:

## LETTER FROM THE BOARD

	(i) As at the Latest Practicable Date		(ii) Immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders		(iii) Immediately upon completion of the Rights Issue, assuming none of the Qualifying Shareholders have taken up any entitled Rights Shares (other than those subscriptions pursuant to the Irrevocable Undertaking) and all the Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) have been placed by the Placing Agent		(iv) immediately upon completion of the Rights Issue, assuming none of the Qualifying Shareholders have taken up any entitled Rights Shares (other than those subscriptions pursuant to the Irrevocable Undertaking) and none of the Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) have been placed by the Placing Agent, all the Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) were subscribed for through the Underwriter up to the Underwritten Shares	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Shareholders</b>								
Goodchamp, Dr. Lam and parties acting in concert with either of them <i>(note 1)</i>	35,305,770	17.34	123,570,195	17.34	123,570,195	17.34	504,570,195 <i>(note 2)</i>	74.98
The Independent Placees	–	–	–	–	420,843,542	59.04	–	–
Other public Shareholders	<u>168,337,417</u>	<u>82.66</u>	<u>589,180,959</u>	<u>82.66</u>	<u>168,337,417</u>	<u>23.62</u>	<u>168,337,417</u>	<u>25.02</u>
	<u>203,643,187</u>	<u>100.00</u>	<u>712,751,154</u>	<u>100.00</u>	<u>712,751,154</u>	<u>100.00</u>	<u>672,907,612</u>	<u>100.00</u>

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## LETTER FROM THE BOARD

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*Notes:*

1. The issued share capital of Goodchamp is wholly and beneficially owned by Dr. Lam, the chairman of the Board and a non-executive Director.
2. As at the Latest Practicable Date, Goodchamp has provided the Irrevocable Undertaking to the Company, irrevocable undertaking to subscribe for the Rights Shares to be provisionally allotted to it (i.e., 88,264,425 Rights Shares); and Goodchamp, as the Underwriter, has conditionally agreed to subscribe for up to 381,000,000 Rights Shares (i.e., the Underwritten Shares). Immediately upon completion of the Rights Issue, assuming none of the Qualifying Shareholders have taken up any of their entitlement under the Rights Shares (other than those subscriptions pursuant to the Irrevocable Undertaking) and none of the Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) have been placed by the Placing Agent, all the Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) were subscribed for through the Underwriter up to the Underwritten Shares, Goodchamp will hold 504,570,195 Shares, representing approximately 74.98% of the total issued Shares of the Company as enlarged by the allotment and issue of the Rights Share. Goodchamp will apply for the Whitewash Waiver to the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. An application has been made by Goodchamp to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code.
3. Save for Dr. Lam (through Goodchamp), no Director holds any relevant securities of the Company as at the Latest Practicable Date.
4. The percentage of shareholding in the above table is for illustrative purpose only. The Company will take all appropriate steps to ensure that sufficient public float be maintained in compliance with the Public Float Requirement.
5. Certain percentage figures included in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

### FUNDRAISING EXERCISE IN THE PAST TWELVE MONTHS

Except for the equity fund raising activities as mentioned below, there has not been any other equity fund raising activities in the past twelve months immediately prior to the date of the Announcement.

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds as announced	Actual use of proceeds
3 October 2025	Placing of new Shares under general mandate	HK\$3.61 million	(i) as to approximately HK\$2.00 million for potential investments; and  (ii) as to approximately HK\$1.61 million for general working capital.	Fully utilised as intended

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## LETTER FROM THE BOARD

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### INTERESTS IN AND DEALINGS OF THE SHARES BY THE UNDERWRITER AND PARTIES ACTING IN CONCERT WITH IT

As at the Latest Practicable Date, Goodchamp, Dr. Lam and parties acting in concert with either of them:

- (i) did not hold, owned, had control or direction over any other voting rights, rights over Shares, any outstanding options, warrants, or any securities that are convertible into Shares or held any outstanding derivatives in respect of the securities of the Company, or held any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, save for the 35,305,770 Shares held by Goodchamp and save as disclosed in the section headed “Effect on the shareholding structure of the Company arising from the Rights Issue” in this circular;
- (ii) have not received any irrevocable commitment to vote for or against the Rights Issue, the Underwriting Agreement, and/or the Whitewash Waiver;
- (iii) had not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (iv) had not paid and will not pay other consideration, compensation or benefit in whatever form to the Company in connection with the Rights Issue and the Underwriting Agreement, save for the Rights Shares to be subscribed under the Irrevocable Undertaking and the Underwritten Shares to be underwritten by Goodchamp under the Underwriting Agreement;
- (v) did not have any arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, which might be material to the Rights Issue and/or the Underwriting Agreement, and/or the Whitewash Waiver, with any other persons, save for the Irrevocable Undertaking and the Underwriting Agreement;
- (vi) did not have any agreement or arrangement to which it is a party which relates to circumstances in which it may or may not invoke or seek a pre-condition or a condition to the Rights Issue, the Underwriting Agreement, and/or the Whitewash Waiver, save for the Rights Issue and the Underwriting Agreement being conditional upon obtaining of the Whitewash Waiver by Goodchamp as set out in the section headed “Conditions of the Underwriting Agreement” of this circular;
- (vii) had not acquired or entered into any agreement or arrangement to acquire any voting rights in the Company and had not dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period; and
- (viii) have not entered into any derivative in respect of the relevant securities in the Company which are outstanding.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date:

- (i) save for the Irrevocable Undertaking and the Underwriting Agreement, there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between Goodchamp, Dr. Lam or parties acting in concert with either of them on one hand, and the Company on the other hand; and
- (ii) save for the Irrevocable Undertaking and the Underwriting Agreement, there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between any Shareholders on one hand; and (a) Goodchamp, Dr. Lam or parties acting in concert with either of them; or (b) the Company, its subsidiaries or associated companies on the other hand;
- (iii) there was no agreement, arrangement or understanding (including any compensation arrangement) between Goodchamp, Dr. Lam and parties acting in concert with either of them and other persons in relation to the transfer, charge or pledge of the Shares that may be allotted and issued to Goodchamp, Dr. Lam and parties acting in concert with either of them under the Rights Issue or as a result of the obligations under the Underwriting Agreement;
- (iv) save as disclosed in the paragraph headed “4. Disclosure of Interests” in the appendix IV to this circular, none of the Directors was interested in any Shares, convertible securities, warrants, options or derivatives of the Company or similar rights which are convertible or exchangeable into any Shares. In addition, none of the Directors had dealt for value in any Shares, convertible preference shares, convertible securities, warrants, options or derivatives of the Company during the Relevant Period;
- (v) there was no benefit to be given to any Directors as compensation for loss of office in any member of the Group or otherwise in connection with the Rights Issue, the Underwriting Agreement and the Whitewash Waiver;
- (vi) there was no agreement, arrangement or understanding (including any compensation arrangement) between (i) Goodchamp and parties acting in concert with it (including Dr. Lam) and (ii) any of the Directors, recent Directors, Shareholders or recent Shareholders, having any connection with or dependence upon the Rights Issue, the Underwriting Agreement and/or the Whitewash Waiver;
- (vii) save for the Irrevocable Undertaking and the Underwriting Agreement, there was no agreement or arrangement between any Director and any other person which was conditional on or dependent upon the Rights Issue, the Underwriting Agreement and/or the Whitewash Waiver or otherwise connected therewith;
- (viii) save for Irrevocable Undertaking and the Underwriting Agreement, there was no material contract entered into by Goodchamp and parties acting in concert with it (including Dr. Lam) in which any Director had a material personal interest;

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## LETTER FROM THE BOARD

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- (ix) save for the Irrevocable Undertaking and the Underwriting Agreement, there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate under the Takeovers Code, and none of them had dealt for value in any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company during the Relevant Period;
- (x) no Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company were managed on a discretionary basis by fund managers connected with the Company and no such person had dealt for value in any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Existing Shares or securities of the Company during the Relevant Period; and
- (xi) none of the Company or the Directors had borrowed or lent any Shares, convertible securities, warrants, options or derivatives in respect of any Shares.

### LISTING RULES IMPLICATIONS

Given that the Rights Issue will increase the issued share capital of the Company by more than 50%, under Rules 7.19A and 7.27A of the Listing Rules, the Rights Issue is subject to the approval of the Independent Shareholders by way of poll at the SGM at which any controlling Shareholders and their respective associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the resolution approving the Rights Issue.

As at the Latest Practicable Date, there are no controlling shareholders and the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue at the SGM.

The Underwriter is a substantial Shareholder and therefore a connected person of the Company. Accordingly, the transactions contemplated under the Underwriting Agreement constitute a connected transaction for the Company under the Listing Rules and the Underwriting Agreement is subject to the reporting, announcement and circular requirements, and the approval of the Independent Shareholders under the Listing Rules.

As at the Latest Practicable Date, Dr. Lam, who is an ultimate beneficial owner of the Underwriter (being a substantial Shareholder), the chairman of the Board and a non-executive Director, is indirectly interested in 35,305,770 Shares, representing approximately 17.34% of the issued share capital of the Company through the Underwriter. Therefore, Dr. Lam, Goodchamp and parties acting in concert with either of them and their associates are required to abstain from voting on the resolution(s) in relation to the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder as well as the Whitewash Waiver at the SGM.

Save as the above, no other Shareholder is required to abstain from voting on the resolution(s) to approve the Rights Issue, the Underwriting Agreement, the Whitewash Waiver and the transactions contemplated thereunder at the SGM.

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## LETTER FROM THE BOARD

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The Rights Issue does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

Dr. Lam has abstained from voting at the meeting of the Board convened to consider the Rights Issue and the Underwriting Agreement due to his interest in the Rights Issue and the Underwriting Agreement arising from his shareholding in the Underwriter.

### TAKEOVERS CODE IMPLICATIONS AND APPLICATION FOR WHITEWASH WAIVER

As at the Latest Practicable Date, Goodchamp (being the Underwriter), Dr. Lam and the parties acting in concert with either of them are interested in 35,305,770 Shares, representing approximately 17.34% of the issued share capital of the Company. As illustrated in the table under the section headed “Effect on the shareholding structure of the Company arising from the Rights Issue”, assuming that there is no change in the issued share capital of the Company other than the allotment and issue of the Rights Shares and assuming none of the Qualifying Shareholders have taken up any entitled Rights Shares (other than those subscriptions pursuant to the Irrevocable Undertaking) and none of the Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) have been placed by the Placing Agent, all the Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) were subscribed for through the Underwriter up to the Underwritten Shares, Goodchamp, Dr. Lam and parties acting in concert with either of them will be interested in approximately 74.98% of the issued share capital of the Company as enlarged by the issue of the Rights Shares.

Accordingly, Goodchamp would be required to make a mandatory general offer under Rule 26 of the Takeovers Code for all the Shares and other securities not already owned or agreed to be acquired by it and parties acting in concert with it, unless the Whitewash Waiver is granted.

An application has been made by Goodchamp 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 subject to, among other things, (i) the approval by at least 75% of the votes casted by the Independent Shareholders either in person or by proxy at the SGM by way of poll in respect of the Whitewash Waiver; and (ii) the approval by more than 50% of the votes casted by the Independent Shareholders either in person or by proxy at the SGM by way of poll in respect of the Rights Issue (including the Underwriting Agreement) and the respective transactions contemplated thereunder.

As at the Latest Practicable Date, the Company does not believe that the Rights Issue, the Underwriting Agreement, the Placing Agreement, the Whitewash Waiver and the transactions contemplated thereunder give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). The Company notes that the Executive may not grant the Whitewash Waiver if the Rights Issue, the Underwriting Agreement, the Placing Agreement and the transactions contemplated thereunder do not comply with other applicable rules and regulations.

**If the Whitewash Waiver is granted by the Executive and is approved by the Independent Shareholders and the completion of the Rights Issue having taken place, the shareholding of Goodchamp, Dr. Lam and parties acting in concert with either of them in the Company may exceed 50% of the issued share capital of the Company as enlarged by the Rights Shares. Goodchamp, Dr. Lam and parties acting in concert with either of them as a concert group may further increase its shareholding in the Company without incurring any further obligation to make a general offer under Rule 26 of the Takeovers Code.**



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## LETTER FROM THE BOARD

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The Executive may or may not grant the Whitewash Waiver. If the Whitewash Waiver is not granted by the Executive or the approval by the Independent Shareholders of the Whitewash Waiver is not obtained, the Rights Issue will not proceed.

### SGM

The register of members of the Company will be closed from Tuesday, 24 February 2026 to Monday, 2 March 2026 (both days inclusive) for determining the Shareholders' entitlements to attend and vote at the SGM. No transfer of Shares will be registered during the above book closure period. The record date will be Monday, 2 March 2026.

In order to be registered as a member of the Company on the record date for attendance and voting at the SGM, all transfers of Shares (together with the relevant share certificate(s)) must be lodged with the Registrar for registration by no later than 4:30 p.m. (Hong Kong time) on Monday, 23 February 2026.

The SGM will be convened for the Independent Shareholders to consider and, if thought fit, approve the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder as well as the Whitewash Waiver. The chairman of the SGM will be Mr. Tam Yuk Sang, Sammy, an independent non-executive Director who is independent from and not acting in concert with either of Goodchamp (being the Underwriter) and Dr. Lam.

A form of proxy for use at the SGM is also enclosed with this circular. Whether or not you are able to attend and vote at the SGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to 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 and in any event not less than (48) hours before the time appointed for holding the SGM, i.e. Saturday, 28 February 2026 at 11:00 a.m. (Hong Kong time), or any adjournment thereof.

Completion and return of the form of proxy shall not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so desire.

### INDEPENDENT BOARD COMMITTEE

According to Rule 2.8 of the Takeovers Code, the Independent Board Committee should comprise all non-executive Directors who have no direct or indirect interest in the Rights Issue other than as the Shareholder. Dr. Lam, the only non-executive Director, is also the chairman of the Board, and a substantial Shareholder indirectly holding approximately 17.34% of issued share capital of the Company as at the Latest Practicable Date through the Underwriter as its ultimate beneficial owner.

As such, the Independent Board Committee comprising all the non-executive Directors other than Dr. Lam (who has direct or indirect interest in the Rights Issue, the Underwriting Agreement and the respective transactions contemplated thereunder as well as the Whitewash Waiver arising from his shareholding in the Underwriter), namely Dr. Ng Chi Yeung, Simon, Mr. Tam Yuk Sang, Sammy, and Ms. Law So Fun, all being independent non-executive Directors, has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue and the transactions contemplated thereunder as well as the Whitewash Waiver are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole, and as to voting at the SGM.



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## LETTER FROM THE BOARD

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Pursuant to the Listing Rules, the Independent Board Committee will also advise the Independent Shareholders as to whether the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and as to voting at the SGM.

### THE INDEPENDENT FINANCIAL ADVISER

Independent Financial Adviser was appointed by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue, the Underwriting Agreement and the respective transactions contemplated thereunder as well as the Whitewash Waiver are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the SGM. Please refer to the letter from the Independent Board Committee set out on pages 49 to 50 of this circular which contains its recommendation to the Independent Shareholders as to voting at the SGM and the letter from the Independent Financial Adviser set out on pages 51 to 83 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue, the Underwriting Agreement and the respective transactions contemplated thereunder as well as the Whitewash Waiver.

### DESPATCH OF PROSPECTUS DOCUMENTS

Subject to, among other things, the Rights Issue, the Underwriting Agreement and the respective transactions contemplated thereunder as well as the Whitewash Waiver having been approved by the Independent Shareholders at the SGM, the Prospectus Documents containing, among other things, details of the Rights Issue, including information on acceptances of the Rights Shares, will be despatched to the Qualifying Shareholders on or before Friday, 13 March 2026.

The Company may, to the extent reasonably practicable and legally permitted and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, make available the Prospectus to the Excluded Shareholders (if any) for their information only, but the Company will not send the PAL to the Excluded Shareholders (if any). For the avoidance of doubt, the Overseas Shareholders, if any, are entitled to attend and vote at the SGM regardless of their eligibility to participate in the Rights Issue.

### RECOMMENDATION

The Excluded Board considers that the terms of (i) the Rights Issue and the transactions contemplated thereunder as well as the Whitewash Waiver are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) the Underwriting Agreement and the transactions contemplated thereunder are on normal commercial terms or better, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Excluded Board recommends the Shareholders to vote in favour of the resolutions to be proposed at the SGM to approve the Rights Issue, the Underwriting Agreement, and respective transactions contemplated thereunder as well as the Whitewash Waiver.

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## LETTER FROM THE BOARD

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### WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sections headed “Conditions of the Rights Issue” and “Termination of the Underwriting Agreement” in this circular). Accordingly, the Rights Issue may or may not proceed.

Any Shareholder or other person dealing in the Shares and/or the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue are fulfilled (and the date on which the Underwriters’ right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any party (including Shareholders and potential investors of the Company) who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

### FURTHER INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 49 to 50 of this circular which contains its recommendation to the Independent Shareholders as to voting at the SGM and the letter from the Independent Financial Adviser set out on pages 51 to 83 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue (including the Placing Agreement), the Underwriting Agreement and the respective transactions contemplated thereunder as well as the Whitewash Waiver.

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

Yours faithfully,  
By order of the Board  
**China Castson 81 Finance Company Limited**  
**Lee Kwok Leung**  
*Director*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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*Set out below is the text of a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue, the Underwriting Agreement and the respective transactions contemplated as well as the Whitewash Waiver, which has been prepared for the purpose of inclusion in this circular.*

### **China Castson 81 Finance Company Limited**

**中國鑄晨81金融有限公司**

*(Continued into Bermuda with limited liability)*

**(Stock Code: 810)**

*Registered office:*

Victoria Place

5th Floor, 31 Victoria Street

Hamilton HM 10, Bermuda

*Principal place of business in Hong Kong:*

Flat 18, 9/F. Block B, Focal Industrial Centre

21 Man Lok Street, Hung Hom, Kowloon

Hong Kong

27 January 2026

*To the Independent Shareholders,*

Dear Sir or Madam,

**(I) PROPOSED RIGHTS ISSUE ON THE BASIS OF  
FIVE (5) RIGHTS SHARES FOR EVERY TWO (2) SHARES  
HELD ON THE RECORD DATE  
ON A NON-FULLY UNDERWRITTEN BASIS;**

**(II) CONNECTED TRANSACTION  
IN RELATION TO THE UNDERWRITING AGREEMENT;**

**AND**

**(III) APPLICATION FOR WHITEWASH WAIVER**

We refer to the circular dated 27 January 2026 (the “**Circular**”) of the Company of which this letter forms part. Capitalised terms used herein shall have the same meaning as those defined in the Circular unless the context otherwise requires.

We have been appointed by the Board to advise the Independent Shareholders as to whether (i) the Rights Issue and the transactions contemplated thereunder as well as the Whitewash Waiver are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole; and (ii) the Underwriting Agreement and the transactions contemplated thereunder are on normal commercial terms or better, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the SGM.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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INCU Corporate Finance Limited has been appointed with the approval of the Independent Board Committee as the Independent Financial Adviser to advise us and the Independent Shareholders in this respect. Details of the advice from the Independent Financial Adviser, together with the principal factors taken into consideration in arriving at such advice, are set out on pages 51 to 83 of the Circular. Your attention is also drawn to the Letter from the Board set out on pages 12 to 48 of the Circular and the additional information set out in the appendices to the Circular.

Having taken into account the advice of the Independent Financial Adviser, we consider that (i) the Rights Issue and the transactions contemplated thereunder as well as the Whitewash Waiver are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Independent Shareholders as a whole; and (ii) the Underwriting Agreement and the transactions contemplated thereunder are on normal commercial terms or better, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Independent Shareholders. Accordingly, we recommend that the Independent Shareholders to vote in favour of the resolutions to be proposed to approve the Rights Issue, the Underwriting Agreement and the respective transactions contemplated thereunder as well as the Whitewash Waiver at the SGM.

Yours faithfully,

For and on behalf of the

**Independent Board Committee**

**China Castson 81 Finance Company Limited**

**Dr. Ng Chi Yeung, Simon**

*Independent  
non-executive director*

**Mr. Tam Yuk Sang, Sammy**

*Independent  
non-executive director*

**Ms. Law So Fun**

*Independent  
non-executive director*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the text of a letter of advice from INCU Corporate Finance Limited, which has been prepared for the purpose of incorporation into this circular, setting out its opinion to the Independent Board Committee and the Independent Shareholders in connection with the Rights Issue, the Underwriting Agreement, the Placing Agreement and the Whitewash Waiver.*



INCUB Corporate Finance Limited  
Unit 1402, 14/F,  
Winsome House,  
73 Wyndham Street,  
Central, Hong Kong

27 January 2026

*To: The Independent Board Committee and  
the Independent Shareholders of  
China Castson 81 Finance Company Limited*

Dear Sirs or Madams,

**(I) PROPOSED RIGHTS ISSUE ON THE BASIS OF  
FIVE (5) RIGHTS SHARES FOR EVERY TWO (2) SHARES  
HELD ON RECORD DATE  
ON A NON-FULLY UNDERWRITTEN BASIS;  
(II) CONNECTED TRANSACTION  
IN RELATION TO THE UNDERWRITING AGREEMENT; AND  
(III) APPLICATION FOR WHITEWASH WAIVER**

### INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue, the Underwriting Agreement, the Placing Agreement and the transactions contemplated thereunder and the Whitewash Waiver. Details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular of the Company dated 27 January 2026, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in this circular unless the context requires otherwise.

Reference is made to the announcement of the Company dated 19 December 2025. On 19 December 2025, the Company proposed to raise gross proceeds of up to approximately HK\$51.93 million (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date) by issuing up to 509,107,967 Rights Shares at the Subscription Price of HK\$0.102 per Rights Share on the basis of five (5) Rights Shares for every two (2) Shares held on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholder(s) (if any). The net proceeds from the Rights Issue, after deducting all relevant expenses, are estimated to be approximately HK\$49.24 million (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date).

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Goodchamp, a substantial shareholder of the Company as at the time of conducting the Rights Issue, will act as the Underwriter. Pursuant to Rule 7.21(2) of the Listing Rules, the Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) by offering the Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) to the Independent Placees for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. Accordingly, on 19 December 2025 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) to the Independent Placees on a best effort basis. Any Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) which are not placed under the Compensatory Arrangements will be underwritten by Goodchamp up to 381,000,000 Rights Shares.

After the trading hours of the Stock Exchange on 19 December 2025, the Company entered into the Underwriting Agreement with Goodchamp as the Underwriter in respect of the Rights Issue, pursuant to which Goodchamp has conditionally agreed to subscribe for up to 381,000,000 Rights Shares, being approximately 74.84% of the total Rights Shares, pursuant to the terms and subject to the conditions set out in the Underwriting Agreement.

Given that the Rights Issue will increase the issued share capital of the Company by more than 50%, under Rules 7.19A and 7.27A of the Listing Rules, the Rights Issue is subject to the approval of the Independent Shareholders by way of poll at the SGM at which any controlling Shareholders and their respective associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the resolution approving the Rights Issue.

As at the Latest Practicable Date, there are no controlling shareholders and the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue at the SGM.

The Underwriter is a substantial Shareholder and therefore a connected person of the Company. Accordingly, the transactions contemplated under the Underwriting Agreement constitute a connected transaction for the Company under the Listing Rules and the Underwriting Agreement is subject to the reporting, announcement and circular requirements, and the approval of the Independent Shareholders under the Listing Rules.

As at the Latest Practicable Date, Dr. Lam, who is an ultimate beneficial owner of the Underwriter (being a substantial Shareholder), the chairman of the Board and a non-executive Director, is indirectly interested in 35,305,770 Shares through the Underwriter, representing approximately 17.34% of the issued share capital of the Company. Therefore, Dr. Lam, Goodchamp and parties acting in concert with either of them and their associates are required to abstain from voting on the resolution(s) in relation to the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder as well as the Whitewash Waiver arising from his shareholding in the Underwriter at the SGM.

The Rights Issue does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

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As at the Latest Practicable Date, Goodchamp (being the Underwriter), Dr. Lam and the parties acting in concert with either of them are interested in 35,305,770 Shares, representing approximately 17.34% of the issued share capital of the Company. Assuming that there is no change in the issued share capital of the Company other than the allotment and issue of the Rights Shares and assuming none of the Qualifying Shareholders have taken up any entitled Rights Shares (other than those subscriptions pursuant to the Irrevocable Undertaking) and none of the Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) have been placed by the Placing Agent, all the Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) were subscribed for through the Underwriter up to the Underwritten Shares, Goodchamp, Dr. Lam and parties acting in concert with either of them will be interested in approximately 74.98% of the issued share capital of the Company as enlarged by the issue of the Rights Shares.

Accordingly, Goodchamp would be required to make a mandatory general offer under Rule 26 of the Takeovers Code for all the Shares and other securities not already owned or agreed to be acquired by it and parties acting in concert with it, unless the Whitewash Waiver is granted.

An application has been made by Goodchamp 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 subject to, among other things, (i) the approval by at least 75% of the votes casted by the Independent Shareholders either in person or by proxy at the SGM by way of poll in respect of the Whitewash Waiver; and (ii) the approval by more than 50% of the votes casted by the Independent Shareholders either in person or by proxy at the SGM by way of poll in respect of the Rights Issue (including the Underwriting Agreement) and the respective transactions contemplated thereunder.

### THE INDEPENDENT BOARD COMMITTEE

An Independent Board Committee comprising all the non-executive Directors other than Dr. Lam Man Chan (who has direct or indirect interest in the Rights Issue, the Underwriting Agreement and the respective transactions contemplated thereunder as well as the Whitewash Waiver arising from his shareholding in the Underwriter), namely Dr. Ng Chi Yeung, Simon, Mr. Tam Yuk Sang, Sammy, and Ms. Law So Fun, all being independent non-executive Directors, in compliance with Rule 2.8 of the Takeovers Code, has been formed to advise the Independent Shareholders as to whether the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder and the Whitewash Waiver are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Independent Shareholders as a whole, taking into account our recommendations.

### OUR INDEPENDENCE

We, INCU Corporate Finance Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in such regard. Our appointment as the Independent Financial Adviser has been approved by the Independent Board Committee in accordance with Rule 2.1 of the Takeovers Code.



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We have not acted as a financial adviser and has not provided any other services to the Company during the past two years. As at the Latest Practicable Date, we were not aware of any relationships or interests between us and the Company or the Underwriter, Dr. Lam and parties acting in concert with either of them or any other parties that could reasonably be regarded as hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the relevant resolutions. We are not associated with the Company, its subsidiaries, its associates or their respective substantial shareholders or associates or the Underwriter or any other parties to the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver, and accordingly, are eligible to give independent advice and recommendations on the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no arrangement exists whereby we will receive any fees from the Company, its subsidiaries, its associates or their respective substantial shareholders or associates or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we are considered eligible to give independent advice in respect of the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver to the Independent Board Committee and the Independent Shareholders in accordance with Rule 2.6 of the Takeovers Code.

### BASIS OF OUR OPINION

In formulating our opinion and recommendations, we have relied on the statements, information, opinions and representations relating to the operations, financial condition and prospects of the Group contained or referred to in this circular and/or provided to us by the Company and the management of the Group. We have assumed that such information and any representation made to us were true, accurate and complete in all material respects as at the Latest Practicable Date and considered that the information we have received is sufficient for us to reach our advice and recommendation as set out in this letter and to justify our reliance on such information. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed by them in this circular have been arrived at after due and careful consideration and there are no other material facts not contained in this circular, the omission of which would make any such statement made by them that contained in this circular misleading in all material respects. We have no reason to doubt the truth or accuracy of the information provided to us, or to believe that any material information has been omitted or withheld. We will notify the shareholders as soon as possible if there is any material change to the statements, information, representations and/or our opinion contained in this letter during the period from the Latest Practicable Date up to the date of the SGM in accordance with Rule 9.1 of the Takeovers Code.

Our review and analyses were based upon, among others, the information provided by the Group including this circular, the Underwriting Agreement, the Placing Agreement and certain published information from the public domain, including but not limited to, the annual report of the Company for the year ended 31 December 2024 (the “**Annual Report 2024**”) and the interim report of the Company for the six months ended 30 June 2025 (the “**Interim Report 2025**”). We have also discussed with the Directors and the management of the Group with respect to the reasons for the Rights Issue, the terms of the Placing Agreement and the Underwriting Agreement, the businesses and outlook of the Group. We have not, however, for the purpose of this exercise, conducted any in-depth independent investigation into the businesses or affairs and future prospects of the Group nor have we carried out any independent verification of the information supplied.



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Your attention is drawn to the responsibility statements as set out in the paragraph headed “1. Responsibility statement” under the section headed “General information” in Appendix IV to this Circular. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinions and recommendations in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver, we have taken into consideration of the following principal factors and reasons:

#### 1. Background and financial information of the Group

##### (a) Background of the Group

The Company is an investment company listed on the Main Board of the Stock Exchange under Chapter 21 of the Listing Rules. It is principally engaged in investment in equity and debt securities of listed and unlisted companies. The primary objective of the Company is to achieve capital appreciation as well as generate income from interests and dividends by investing in listed and unlisted companies in the PRC, Hong Kong and Macau, United States, Asia-Pacific Region and any other appropriate countries and/or capital markets as the Board may direct from time to time. The Company also intends to invest in unlisted companies with the potential to seek a listing on the Stock Exchange or any overseas stock exchanges.

##### (b) Financial performance of the Group

Set out below is a summary of the financial performance of the Group for the financial years ended 31 December 2023 (“FY2023”) and 31 December 2024 (“FY2024”) respectively as extracted from the Annual Report 2024 and the six months ended 30 June 2024 (“HY2024”) and 30 June 2025 (“HY2025”) respectively as extracted from Interim Report 2025:

	<b>FY2023</b> <i>HK\$'000</i> (Audited)	<b>FY2024</b> <i>HK\$'000</i> (Audited)	<b>HY2024</b> <i>HK\$'000</i> (Unaudited)	<b>HY2025</b> <i>HK\$'000</i> (Unaudited)
Revenue – dividend income from financial assets at fair value through profit or loss	220	328	165	147
Loss before taxation	(6,311)	(21,598)	(14,370)	(3,817)
Loss for the year/period attributable to owners of the Company	(6,311)	(21,598)	(14,370)	(3,817)

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### *FY2023 vs FY2024*

According to the Annual Report 2024, the revenue of the Group for FY2023 and FY2024 represented the dividend income from financial assets at fair value through profit or loss (“FVTPL”). As set out in the table above, the revenue of the Group for FY2024 increased by approximately HK\$0.11 million or 50.00% from approximately HK\$0.22 million for FY2023 to approximately HK\$0.33 million for FY2024. Such increase was mainly due to increase in dividend income received from certain investee companies for FY2024.

The Group recorded gross proceeds from disposal of financial assets at FVTPL of approximately HK\$71.53 million for FY2023 and approximately HK\$23.32 million for FY2024. As mentioned in the Annual Report 2024, the decrease in gross proceeds from disposal of financial assets at FVTPL was mainly due to the inactive trading volume of non-constituent stocks, which affected the overall trading volume of the Group.

Due to the net loss on the financial assets at FVTPL of approximately HK\$10.45 million for FY2024 as compared with a net gain on the financial assets at FVTPL of approximately HK\$13.03 million for FY2023, the loss for the year attributable to owners of the Company increased from approximately HK\$6.31 million for FY2023 to approximately HK\$21.60 million for FY2024, representing an increase of approximately HK\$15.29 million or 242.31%.

### *HY2024 vs HY2025*

The revenue of the Group for HY2024 and HY2025 represented the dividend income from financial assets at FVTPL. The revenue of the Group for HY2025 decreased by approximately HK\$0.02 million or 11.76% from approximately HK\$0.17 million for HY2024 to approximately HK\$0.15 million for HY2025. Such decrease was mainly due to a lower payout from certain investee companies.

The gross proceeds from disposal of financial assets at FVTPL for HY2025 decreased to approximately HK\$3.32 million from approximately HK\$15.89 million for HY2024. As mentioned in the Interim Report 2025, such decrease was mainly due to the inactive trading volume of non-constituent stocks, which affected the overall trading volume of the Group.

Due to the net gain on the financial assets at FVTPL of approximately HK\$2.16 million for HY2025 as compared with a net loss on the financial assets at FVTPL of approximately HK\$8.27 million for HY2024, the loss for the year attributable to owners of the Company decreased from approximately HK\$14.37 million for HY2024 to approximately HK\$3.82 million for HY2025, representing a decrease of approximately HK\$10.55 million or 73.42%.

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(c) *Financial position of the Group*

Set out below is the consolidated statement of financial position of the Group as at 31 December 2024 and 30 June 2025 respectively as extracted from the Interim Report 2025:

	<b>As at 31 December 2024</b>	<b>As at 30 June 2025</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Audited)	(Unaudited)
<b>Non-current assets</b>		
Property, plant and equipment	7,750	7,481
Financial assets at FVTPL	8,358	8,064
Interest in an associate	—	—
	<hr/>	<hr/>
	16,108	15,545
<b>Current assets</b>		
Financial assets at FVTPL	11,707	12,169
Other receivables, prepayments and deposits	1,015	752
Bank and cash balances	4,268	304
	<hr/>	<hr/>
	16,990	13,225
<b>Total assets</b>	<b>33,098</b>	<b>28,770</b>
<b>Current liabilities</b>		
Accruals	1,189	725
Secured bank loan	47	—
	<hr/>	<hr/>
	1,236	725
<b>Total liabilities</b>	<b>1,236</b>	<b>725</b>
<b>Net current assets</b>	<b>15,754</b>	<b>12,500</b>
<b>Net assets</b>	<b>31,862</b>	<b>28,045</b>

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As set out above, the non-current assets and current assets of the Group mainly consist of property, plant and equipment and financial assets at FVTPL. The financial assets held by the Group as at 31 December 2024 and 30 June 2025 included equity securities listed in Hong Kong. The Group did not hold any unlisted securities as at 31 December 2024 and 30 June 2025. The following is the breakdown of the financial assets held by the Group as at 31 December 2024 and 30 June 2025 as extracted from the Interim Report 2025:

	<b>As at</b> <b>31 December 2024</b> <i>HK\$'000</i> (Audited)	<b>As at</b> <b>30 June 2025</b> <i>HK\$'000</i> (Unaudited)
Equity securities listed in Hong Kong at fair value	20,065	20,233
Analysis as:		
Non-current assets	8,358	8,064
Current assets	11,707	12,169
	20,065	20,233

The fair value of the financial assets of the Group in total remained stable in an amount of approximately HK\$20.07 million and HK\$20.23 million as at 31 December 2024 and 30 June 2025, respectively. The unaudited consolidated net asset value per Share of the Company was approximately HK\$0.19 and HK\$0.17 as at 31 December 2024 and 30 June 2025, respectively. The unaudited consolidated net asset value per share of the Company remained stable for the six months ended 31 December 2025, recording the highest of approximately HK\$0.17 per Share as at 31 July 2025 and the lowest of approximately HK\$0.13 per Share as at 31 December 2025.

The bank and cash balances decreased by approximately HK\$3.96 million from approximately HK\$4.27 million as at 31 December 2024 to approximately HK\$304,000 as at 30 June 2025. Such decrease was mainly due to the cash payment for the operating activities of the Group.

The Group had minimal liabilities as at 31 December 2024 and 30 June 2025. The current liabilities of the Group were approximately HK\$1.24 million and HK\$0.73 million as at 31 December 2024 and 30 June 2025 respectively.

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### 2. Reasons for and benefits of the Rights Issue and use of proceeds

#### (a) *Intended use of proceeds*

As disclosed in the Letter from the Board, the net proceeds of the Rights Issue, assuming full subscription, will be up to approximately HK\$49.24 million (assuming no change in number of Shares in issue on or before Record Date). The Company intends to apply the net proceeds from the Rights Issue as follows:

- (i) approximately 70% (or approximately HK\$34.47 million) for investment in listed securities and unlisted securities, including but not limited to the acquisition of equity interest in the target company engaged in new energy solutions (companies that engaged in principal businesses including but not limited to photovoltaics, renewable energy, hydrogen energy, energy storage, and related innovative fields), AI and digital assets (including but not limited to cryptocurrencies and stablecoins); and
- (ii) approximately 30% (or approximately HK\$14.77 million) for the general working capital of the Group, including the payment for staff costs, professional fees, administrative expenses and other operating expenses.

In the event that there is an undersubscription of the Rights Issue, the use of proceeds raised from the Rights Issue will be allocated on a pro-rata basis for the purposes disclosed above, i.e. (i) approximately 70% of the net proceeds from the Rights Issue will be used for investment in listed securities and unlisted securities, including but not limited to investment prospects in the acquisition of equity interest in the target company engaged in new energy solutions, AI and digital assets; and (ii) approximately 30% of the net proceeds from the Rights Issue will be used for the general working capital of the Group, including the payment for staff cost, professional fees, administrative expenses and other operating expenses.

As disclosed in the Letter from the Board, the Company has identified a potential investment opportunity and entered into a memorandum of understanding (the “**MOU**”) with the target company in relation to the possible investment of not more than HK\$5,500,000 to acquire equity interest in the target company on 1 September 2025. The target company is a company incorporated in the PRC with limited liabilities. It is mainly engaged in providing high-quality integrated new energy solutions, specializing in the investment, construction and operation of new energy sectors. As at the Latest Practicable Date, save for the MOU as mentioned above, no formal agreement has been entered into in respect of any potential investment. The Board will continue to explore other investment opportunities for the Company, seek to expand the Company’s business. In the implementation of the aforesaid intentions, the Company will ensure compliance with the requirements under Chapter 21 of the Listing Rules (including the restrictions under Rules 21.04(3)(a) and (b) of the Listing Rules).

In respect of the use of proceeds for investment the listed securities and unlisted securities, we have conducted the following researches regarding the new energy and artificial intelligence (“**AI**”) and digital asset. We have also obtained and reviewed the MOU and profile of the target company.

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According to “Energy Transition Investment Trends 2025” published on 30 January 2025 by Bloomberg NEF, a strategic research provider covering global commodity markets and the disruptive technologies driving the transition to a low-carbon economy, global investment in energy transition exceeded US\$2 trillion in 2024, representing an 11% increase from 2023. The Asia Pacific region recorded the fastest growth at 21% year-on-year, reaching over US\$1 trillion in 2024 and accounting for half of the world’s energy transition investment. Mainland China was the primary growth driver, contributing two-thirds of the global increase with investments of US\$818 billion in 2024, more than double that of any other economy. This growth highlights the rising significance of the new energy sector globally, particularly in Mainland China. We believe that investment in the new energy sector aligns with global sustainability trend.

In addition, as discussed with the management of the Company, the Board considered that investment in AI technologies may yield strong returns as the AI industry continues to expand rapidly, driven by increasing demand for automation, efficiency enhancement, and data analysis across various industries. In this regard, we have reviewed “Technology and Innovation Report 2025” published by the United Nations Conference on Trade and Development on 7 April 2025, which indicated that the global AI market is forecasted to grow from US\$189 billion in 2023 to US\$4.8 trillion by 2033. Meanwhile, the Hong Kong Government provided a supportive environment for the market development of digital assets and stablecoin. On 6 June 2025, the Hong Kong Government published the Stablecoin Ordinance (Commencement) Notice in the Gazette, which appointed 1 August 2025 as the commencement date for the Stablecoin Ordinance (Cap. 656). This establishes a supervisory regime for stablecoin-related activities and introduces a licensing framework for regulated stablecoin activities in Hong Kong. As such, it is expected that there will be increased capital inflows into regulated platforms, tokenisation infrastructure and associated listed or unlisted securities. We believe this presents an opportunity for the Company to expand its investment portfolio in AI and digital asset-related sectors, aligning with ongoing growth trends. As at the Latest Practicable Date, the Group did not have any investments in AI and digital asset-related sectors.

In respect of the use of proceeds for the general working capital, we have also obtained and reviewed the information provided by the management of the Company, we note that the Company would allocate the proceeds from the Rights Issue of approximately HK\$14.77 million for payment for staff costs, professional fees, administrative expenses and other operating expenses for around twelve months. According to the Annual Report 2024, the total amount of the administrative expenses and other operating expense were approximately HK\$19.58 million and HK\$11.76 million for FY2023 and FY2024 respectively. Meanwhile, the bank and cash balances was only approximately HK\$304,000 as at 30 June 2025 as stated in the Interim Report 2025. We note that the Company had conducted fund raising through placing of new shares under general mandate in October 2025 and the net proceeds of approximately HK\$3.61 million has already been fully utilised as to approximately HK\$2.00 million for investment in listed securities and approximately HK\$1.61 million for general working capital. As such, we consider that the net proceeds from the Rights Issue can support its ongoing operational needs, improve the Group’s cash position and seize suitable investment opportunities. In the event that there is an undersubscription of the Rights Issue, the proceeds for the general working capital will be reduced accordingly on a pro-rata basis.

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We understand that the Company, as an investment company under Chapter 21 of the Listing Rules, requires sufficient liquidity to pursue its investment strategies and support its future growth. As discussed in the section headed “1. Background and financial information of the Group – (c) Financial position of the Group” above in this letter, the Group only had bank and cash balances of approximately HK\$304,000 as at 30 June 2025. We also reviewed the working capital forecast of the Group for the next twelve months prepared by the management of the Company for the period covering at least 12 months from the date of this circular and the comfort letter in relation to working capital sufficiency from the auditor of the Company as discussed in section headed “4. Sufficiency of working capital” in Appendix I to this circular, we concur with the view of the Directors that the Group would have sufficient working capital for its present requirements and for at least the next 12 months from the date of this circular in the absence of unforeseen circumstances, after taking into account the minimum net proceeds from the Rights Issue (assuming none of the Qualifying Shareholders have taken up any entitled Rights Shares (other than those subscriptions pursuant to the Irrevocable Undertaking) and none of the Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) have been placed by the Placing Agent), the existing cash and bank balances, other internal financial resources available to the Group (including internally generated funds). In light of the Group’s limited liquidity, we consider the Rights Issue can strengthen the capital base of the Company, ensuring sufficient funds are readily available to seize investment opportunities and execute its investment strategy, and replenish its working capital for its operation.

After considering (i) the business nature and investment objective of the Company; (ii) the Group’s latest cash level; (iii) loss-making performance of the Group for FY2023, FY2024, HY2024 and HY2025; and (iv) the funding needs for the investment in listed and unlisted companies to seize suitable investment opportunities; and (iv) the use of proceeds for the general working capital of the Group, we consider that the Rights Issue is in the interests of the Company and the Independent Shareholders as a whole.

***(b) Alternative sources of financing***

We have discussed with the management of the Company that the Board has considered the pros and cons of alternative fund-raising methods, including but not limited to the disposal of the Group’s existing listed securities investments, debt financing and equity financing such as the placing of new Shares and open offer, before resolving to the Rights Issue, which are summarized as follows:

In respect of the disposal of the Group’s existing listed securities investments, as per our discussion with the management of the Company, the Company has, as and when necessary, disposed of certain listed securities during the year according to its investment policies and when the realisation would be in the best interests of the Group. The Board considers that certain investments have growth potential to achieve higher capital appreciation, and are capable of generating interest and dividends income, and therefore should be retained until they reach their targeted value. The Group’s investment portfolio had a fair value of approximately HK\$20.23 million as at 30 June 2025, even if the Company sells the entire investment portfolio of the Company, it would not be sufficient to meet the targeted net proceeds of the Rights Issue (approximately HK\$49.24 million) and might lead to a loss for the Group at present. Therefore, we agree with the Directors’ view that divestment of all existing investments to meet the proposed funding needs is not in the best interests of the Company and its Shareholders.

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In respect of debt financing, the Board considered that debt financing will result in additional interest burden, higher gearing ratio of the Group and may not be achievable on favourable terms in a timely manner. We consider that debt financing from financial institutions is not in the interests of the Company as it will increase the gearing of the Group and result in additional interest burden. Based on our analysis on the financial information of the Group as discussed in the section headed “1. Background and financial information of the Group” above, the Group has recorded losses for FY2023, FY2024, HY2024 and HY2025, additional requirements with asset pledging may be required by financial institutions. However, majority of the Company’s assets consists of securities, which are revenue-generating assets of the Company and the Company will not consider to pledge its investment securities as collateral. As per our discussion with the management of the Company, the Company considers it is prudent to support the Group’s long-term growth through long-term financing, preferably in the form of equity, as this would not result in an increase in the Group’s financing costs.

In respect of equity financing, we note that the Group had conducted fund raising through placing of new shares under general mandate in October 2025 and the proceeds has already been fully utilised for investment in listed securities and general working capital. Placing of new Shares would be less favourable as it will lead to an immediate dilution in shareholding interest of the existing Shareholders without offering them opportunities to participate in the enlargement of the capital base of the Company. As for open offer, although it is similar to the Rights Issue, it does not allow the trading of rights entitlements. The Rights Issue allows the Qualifying Shareholders to (a) increase their respective interests in the shareholding of the Company by acquiring additional rights entitlement in the open market (subject to the availability); or (b) reduce their respective interests in the shareholding of the Company by disposing of their rights entitlements in the open market (subject to the market demand). The Qualifying Shareholders who do not wish to take up their provisional entitlements under the proposed Rights Issue are able to sell the nil-paid rights in the market. Therefore, the Board considered that the Rights Issue would be more preferable to an open offer as it offers the Qualifying Shareholders an option to sell their entitlement rights. Accordingly, after discussing with the management of the Company and after considering the advantages of flexibility of the Rights Issue, we concur with the Directors’ view that fund-raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

In light of the above, we consider that the Rights Issue is most appropriate fund raising method available to the Company and it is in the interests of the Company and the Independent Shareholders as a whole to proceed with the Rights Issue.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 3. Principal terms of the Rights Issue

#### (a) *Terms of the Rights Issue*

Set out below is the summary of the principal terms of the Rights Issue, further details of which are set out in the Letter from the Board:

##### *Rights Issue statistics*

Basis of the Rights Issue	:	Five (5) Rights Shares for every two (2) Shares held on the Record Date
Subscription Price	:	HK\$0.102 per Rights Share
Number of Existing Shares in issue at the Latest Practicable Date	:	203,643,187 Shares
Number of Rights Shares:	:	up to 509,107,967 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Nominal value of the Rights Shares	:	Up to HK\$5,091,079.67 (assuming no change in the number of Shares in issue on or before the Record Date)
Number of Shares in issue as enlarged by the allotment and issue of the Rights Shares	:	712,751,154 Shares (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Gross proceeds from the Rights Issue	:	approximately HK\$51.93 million before expenses (assuming full subscription under the Rights Issue and assuming no change in number of Shares in issue on or before the Record Date)
Net proceeds from the Rights Issue	:	approximately HK\$49.24 million after expenses (assuming full subscription under the Rights Issue and assuming no change in number of Shares in issue on or before the Record Date)

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Net price (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	: approximately HK\$0.0967 per Rights Share (assuming full subscription under the Rights Issue and no change in the number of Shares)
Rights of excess application	: There will be no excess application arrangements in relation to the Rights Issue
Compensatory arrangements	: Any Unsubscribed Rights Shares and ES Unsold Rights Shares (if any) will be placed to the Independent Placees on a best effort basis under the Compensatory Arrangements.  Any Unsubscribed Rights Shares and ES Unsold Rights Shares (if any) which are not placed under the Compensatory Arrangements will be underwritten by Goodchamp up to 381,000,000 Rights Shares.
Number of Underwritten Shares	: Up to 381,000,000 Rights Shares, representing approximately 74.84% of the total Rights Shares, to be underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement

As at the Latest Practicable Date, the Group has no outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible into or giving rights to subscribe for, convert or exchange into any Shares.

Assuming no change in the number of issued Shares on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 509,107,967 Rights Shares to be issued pursuant to the terms of the Rights Issue represent (i) 250% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) 71.43% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

**(b) Terms of the Placing Agreement**

Set out below is the summary of the principal terms of the Placing Agreement:

Date	: 19 December 2025 (after trading hours of the Stock Exchange)
Issuer	: The Company

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Placing Agent : Kingston Securities Limited, a corporation licensed to engage in Type 1 (dealing in securities) regulated activity under the SFO, was appointed as the Placing Agent to procure, on a best effort basis, placees to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares during the Placing Period.

The Placing Agent has confirmed that it is the Independent Third Party, and not acting in concert with, Goodchamp (being the Underwriter, and/or Dr. Lam and parties acting in concert with either of them.

Placing Period : The period commencing from Tuesday, 10 March 2026 and ending at 4:00 p.m. on Monday, 16 March 2026

Commission and expenses : Subject to completion of the Placing, the Company shall pay to the Placing Agent a placing commission in Hong Kong Dollars, of 2.5% of the amount which is equal to the placing price multiplied by the number of Unsubscribed Rights Shares and ES Unsold Rights Shares (if any) that have been successfully placed by the Placing Agent and/or its sub-placing agent(s) pursuant to the terms of the Placing Agreement. Assuming none of the Qualifying Shareholders has taken up their entitled Rights Shares (other than those subscriptions pursuant to the Irrevocable Undertaking) and all Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) have been placed by the Placed Agent, the total placing commission will be approximately HK\$1.07 million in cash to be deducted from the gross proceeds of the Rights Issue.

Placing price of the Unsubscribed Rights Shares and the ES Unsold Rights Shares : The placing price of the Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) shall be not less than the Subscription Price.

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The final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) during the process of placement.

Placees : The Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) are expected to be placed to the Independent Placee(s).

The Placing will not have any implications under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing. The Company will continue to comply with the Public Float Requirement upon completion of the Placing and the Rights Issue. The Placing Agent shall also ensure the Placing will not result in the Company incapable of complying with the Public Float Requirements immediately following the Placing.

Ranking of the placed Unsubscribed Rights Shares and ES Unsold Rights Shares : The placed Unsubscribed Rights Shares and ES Unsold Rights Shares (when allotted, issued and fully paid, if any) shall rank *pari passu* in all respects among themselves and with the Shares in issue as at the date of completion of the Rights Issue.

For details of the terms and conditions of the Placing Agreement, please refer to the section headed “Placing Agreement for the Unsubscribed Rights Shares and the ES Unsold Rights Shares” in the Letter from the Board.

As stated in the Letter from the Board, the terms of the Placing Agreement (including the placing commission thereof) were determined after arm’s length negotiation between the Company and the Placing Agent with reference to the size of the Rights Issue and the prevailing market rate of commission and are on normal commercial terms. The Board consider that the terms of the Placing Agreement are fair and reasonable. In order to assess the fairness and reasonableness of the placing commission rate in the Placing Agreement, we have compared the placing commission rate in the Placing Agreement with the placing commission rates provided by the placing agents of recent rights issue transactions, which the details are set out in the sub-section headed “(i) Placing commission rate in the Placing Agreement” below in this letter.

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(c) *Terms of the Underwriting Agreement*

Set out below is the summary of the principal terms of the Underwriting Agreement:

Date : 19 December 2025 (after trading hours of the Stock Exchange)

Parties : (i) the Company; and  
(ii) Goodchamp as the Underwriter

Underwriter : Goodchamp, which is a substantial Shareholder interested in 35,305,770 Shares, representing approximately 17.34% of the issued share capital of the Company as at the Latest Practicable Date, and is ultimately owned by Dr. Lam (who is the chairman of the Board and a non-executive Director as at the Latest Practicable Date). Therefore, the Underwriter and Dr. Lam are connected persons of the Company according to Chapter 14A of the Listing Rules.

The Underwriter is not in the ordinary course of business to underwrite securities and confirms that it has complied with Rule 7.19(1)(b) of the Listing Rules.

The Underwriter shall ensure the underwriting will not result in the Company incapable of complying with the Public Float Requirements immediately following the Placing and the underwriting.

Number of Rights Shares to be underwritten by the Underwriter : Up to 381,000,000 Rights Shares (being all the Underwritten Shares excluding the 88,264,425 Shares under the Irrevocable Undertaking), being approximately 74.84% of the total Rights Shares.

Underwriting commission : The Underwriter will not receive any underwriting commission.

For details of the terms and conditions of the Underwriting Agreement, please refer to the section headed “The Underwriting Agreement” in the Letter from the Board.

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As stated in the Letter from the Board, the terms of the Underwriting Agreement were determined after arm's length negotiations between the parties, taking into account the financial position of the Group, the size of the Rights Issue, the current and expected market conditions and the prevailing market rates of underwriting commission.

In order to assess the fairness and reasonableness of the underwriting commission rate in the Underwriting Agreement, we have compared the underwriting commission rate in the Underwriting Agreement with the underwriting commission rates provided by the underwriters of recent rights issue transactions, which the details are set out in the sub-section headed "(j) Underwriting commission rate in the Underwriting Agreement" below in this letter.

***(d) Analysis on the Subscription Price***

The Subscription Price is HK\$0.102 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 25.00% to the closing price of HK\$0.1360 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 26.62% to the closing price of HK\$0.1390 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 30.80% to the average closing price of approximately HK\$0.1474 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 31.08% to the average closing price of approximately HK\$0.1480 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 9.41% to the theoretical ex-rights price of approximately HK\$0.1126 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.1390 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 22.73% to the existing Shareholders if they elect not to participate in the Rights Issue, which is calculated based on the theoretical ex-rights price of approximately HK\$0.1156 per Share and the benchmarked price of approximately HK\$0.1496 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.1390 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of approximately HK\$0.1496 per Share);

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- (vii) a discount of approximately 46.32% to the Group's audited consolidated net assets attributable to the Shareholders per Share of approximately HK\$0.19 as at 31 December 2024 (based on a total of 169,707,187 Shares as at the 31 December 2024 and the Group's audited consolidated total equity attributable to owners of the Company of approximately HK\$31,862,000 as at 31 December 2024);
- (viii) a discount of approximately 21.54% to the unaudited consolidated net asset value per Share of approximately HK\$0.13 as at 31 December 2025 as disclosed in the Company's announcement dated 15 January 2026 as required under the Listing Rules, calculated based on the Group's unaudited consolidated net assets value attributable to owners of the Company of approximately HK\$27,156,000 and 203,643,187 Shares in issue as at 31 December 2025); and
- (ix) a discount of approximately 27.14% to the unaudited adjusted consolidated net asset value per Share of approximately HK\$0.14 (calculated based on the Company's unaudited adjusted consolidated net asset value attributable to owners of the Company of approximately HK\$27,743,000 as at 31 December 2025 (the "**Adjusted NAV**") and 203,643,187 Shares in issue as at 31 December 2025. The Adjusted NAV is calculated based on the Group's unaudited consolidated net assets value attributable to owners of the Company of approximately HK\$27,156,000 as at 31 December 2025, plus the net difference (i.e. approximately HK\$587,000) between the unaudited book value of the properties of the Group as at 31 December 2025 (i.e. approximately HK\$7,203,000) and market value (i.e. approximately HK\$7,790,000) of the properties of the Group as at 30 November 2025 as set out in the valuation report under Appendix III of this circular).

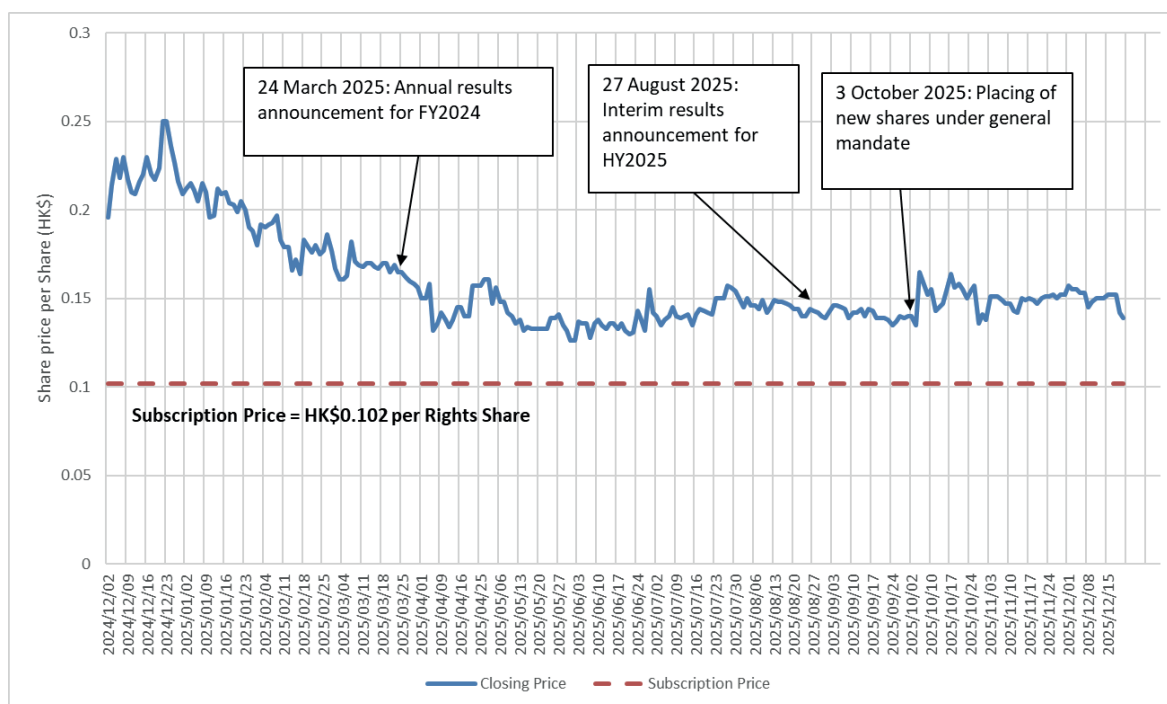
The Subscription Price was determined by the Company with reference to, among others, (i) recent closing prices of the Shares under prevailing market conditions; (ii) recent liquidity of the Shares; (iii) current business performance and financial position of the Group; and (vi) the reasons as discussed in the section headed "REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS" in the Circular.

**(e) Comparison with adjusted historical closing prices of the Shares**

In order to assess the fairness and reasonableness of the Subscription Price, we have performed a review on the closing prices of the Shares from 1 December 2024 to the Last Trading Day (the "**Share Price Review Period**") (being a period of approximately 12 months prior to and including the Last Trading Day) and compared with the Subscription Price. We consider that the Share Price Review Period is a reasonably long period covering the annual operating cycle of the Company for analysis purpose to illustrate the general trend and level of movement of the adjusted closing price of the Shares and thus the Share Price Review Period is fair and representative to reflect the market assessment on the financial performance of the Group and the general market sentiment.

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Chart 1: Historical closing prices of the Shares



Source: website of the Stock Exchange

As shown in Chart 1, the closing price of the Shares fluctuated during the Share Price Review Period from the highest closing price of HK\$0.250 per Share on 20 December 2024 and 23 December 2024 to the lowest closing price of HK\$0.126 per Share on 30 May 2025 and 2 June 2025, which represents a decrease of approximately 49.6% from the highest closing price of the Shares. The average closing price over the Share Price Review Period is approximately HK\$0.159 per Share.

The Subscription Price of HK\$0.102 represents (i) a discount of approximately 59.2% to the highest closing price of HK\$0.250 per Share; (ii) a discount of approximately 19.0% to the lowest closing price of HK\$0.126 per Share; and (iii) a discount of approximately 35.8% to the average closing price of HK\$0.159 per Share over the Share Price Review Period. Although the Subscription Price is out of range of the closing price of the Shares during the Share Price Review Period as mentioned above, after considering that (i) the closing price of the Shares fluctuated during the Share Price Review Period; (ii) the low liquidity of the Shares as discussed in sub-section headed “(f) Historical trading liquidity of the Shares” below; (iii) the funding needs as discussed in the section headed “2. Reasons for and benefits of the Rights Issue and use of proceeds” above; and (iv) the Subscription Price is within the range in the comparable analysis as discussed in the sub-section headed “(g) Comparison with recent rights issue exercises” below; and (v) it is a common market practice to set the subscription price at a discount to the prevailing market prices of the relevant shares to attract the shareholders to participate in the rights issue, we consider that the discount of the Subscription Price is fair and reasonable and the Rights Issue is in the interests of the Company and the Shareholders as a whole.



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(f) *Historical trading liquidity of the Shares*

Month	Number of trading days (days)	Average daily trading volume of Shares during the months/periods	% of average daily turnover over total number of Shares in issue (Note 1)	% of average daily trading volume to total issued Shares held by public Shareholders (Note 2)
<b>2024</b>				
December	20	2,341,505	1.380%	1.742%
<b>2025</b>				
January	19	6,177,041	3.640%	4.596%
February	20	10,456,335	6.161%	7.780%
March	21	4,052,063	2.388%	3.015%
April	19	235,558	0.139%	0.175%
May	20	2,217,161	1.306%	1.650%
June	21	1,263,638	0.745%	0.940%
July	22	503,727	0.297%	0.375%
August	21	323,798	0.191%	0.241%
September	22	165,000	0.097%	0.123%
October	20	1,811,555	0.890%	1.076%
November	20	295,159	0.145%	0.175%
1 December to Last Trading Day	15	204,920	0.101%	0.122%
<b>Total</b>	<b>260</b>			

Source: website of the Stock Exchange

Note 1: Calculated based on the total number of the Shares at the end of each month/period.

Note 2: Calculated based on the total number of the Shares in public hands at the end of each month/period.

As demonstrated in the table above, the average daily trading volume of the Shares during the Share Price Review Period ranged from approximately 0.097% to 6.161% of the number of Shares in issue as at the end of relevant month. The average daily trading volume of the Shares during the Share Price Review Period ranged from approximately 0.122% to 7.780% of the number of Shares held by public Shareholders.

We note that as compared to the second half of 2025, there were relatively high average daily trading volumes of Shares in December 2024, January, February, March and May 2025. On 13 December 2024, the Company announced that the Company has completed a placing of new shares under general mandate. On 22 January 2025, the Company announced that the Company has disposed listed securities which constitutes a major transaction of the Company. On 28 February 2025 and 24 March 2025, the Company announced a profit warning announcement in relation to estimated increase in net loss for FY2024 and an annual results announcement for FY2024, respectively. Save for disclosed as above, we are advised that the Directors were not aware of the

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reasons for the relatively high trading volumes in December 2024, January, February, March and May 2025.

Although the average daily trading volumes of the Shares were relatively high in the first half of 2025, we note that the average daily trading volume of the Shares in the second half of 2025 declined and fell to below 0.9% (except for October 2025 which might have been affected by, among others, the announcement in relation to the placing of new shares under general mandate announced by the Company on 3 October 2025) and reached to the lowest point of approximately 0.097% in September 2025.

Given the decreasing trading volume and the fluctuated closing price of the Shares during the Share Price Review Period, we consider that it is reasonable for the Subscription Price to be set at a discount to the historical closing prices of the Shares in order to attract the Qualifying Shareholders to participate in the Rights Issue and to maintain their respective shareholdings in the Company.

*(g) Comparison with recent rights issue exercises*

In order to further assess the fairness and reasonableness of the terms of the Rights Issue, we have identified an exhaustive list of 27 rights issue transactions (including but not limited to a transaction involving an application for whitewash waiver) (the “**Comparables**”) announced by other companies listed on the Stock Exchange during the period from 1 September 2025 to the Last Trading Day (the “**Comparable Review Period**”), excluding those rights issue transactions that have been terminated as at the Latest Practicable Date or were proposed by companies, which the shares were in prolonged suspension on the date of the relevant announcement. Although the Comparables include rights issue in different basis, engaged in different business or have different financial performance and funding needs from the Company, having considered that (i) all of the Comparables and the Company are listed on the Stock Exchange; (ii) our analysis is mainly focus on the principal terms of the rights issue and we are not aware of any established evidence showing any correlation between the entitlement basis of the rights issue and its underlying principal terms; (iii) including transactions conducted by the Comparables with different funding needs and business represent a more comprehensive overall market sentiment in our comparable analysis; (iv) an approximately three months period for the selection of the Comparables has generated a reasonable samples size to reflect the market practice regarding rights issue in the recent period; and (v) the Comparables were included without any artificial selection or filtering on our part so the Comparables represent a true and fair view of the recent market trends for similar rights issue transactions conducted by other issuers listed on the Stock Exchange, we consider that the list of Comparables are fair and representative samples. Although only one comparable (Fire Rock Holdings Limited) involved an application for a whitewash waiver, we consider that the terms of the rights issue depend on various factors, including funding needs and use of proceeds, the discounts to share price and the recent market condition, regardless of whether or not such rights issue transaction has involved any application for whitewash waiver. We are of the view that the Comparables as selected by the above criteria can provide a general reference to the pricing trend of recent rights issue transactions under the current market conditions. In addition, we consider that the Comparable Review Period is adequate and fair and representative given that (a) such period would provide us with the recent and relevant information in relation to the rights issue to demonstrate the prevailing market practices prior to the Last Trading Day under the prevailing market conditions; and (b) we are able to identify sufficient number of samples of 27 representative Comparables that meet the aforesaid criteria for comparison analysis in such period.

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Date of announcement	Stock code	Company name	Basis of entitlement	Premium/ (discount) of the subscription price over to the closing price on the last trading day as stated in the relevant announcement	Premium/ (discount) of the subscription price to the theoretical ex-rights price	Premium/ (discount) of the subscription price over/to the consolidated net asset value per share (Note 1)	Theoretical dilution effect (Note 2)	Excess application (Yes/No)	Placing commission	Underwriting arrangement	Underwriting commission	Maximum dilution on the shareholding (Approx. %)	Whitewash waiver application (Yes/No)
12 December 2025	1591	Shun Wo Group Holdings Limited	1 for 3	(6.70)%	(5.08)%	(54.80)%	1.67%	Yes	N/A	No	N/A	25.00%	No
11 December 2025	1894	Hang Yick Holdings Company Limited	4 for 1	(28.13)%	(7.26)%	(84.67)%	22.50%	No	1.00%	No	N/A	80.00%	No
21 November 2025	727	Crown International Corporation Limited	3 for 1	(19.75)%	(5.80)%	(44.85)%	19.53%	Yes	N/A	No	N/A	75.00%	No
19 November 2025	471	SILKWAVE INC	3 for 1	(31.06)%	(10.13)%	(62.81)%	24.51%	Yes	N/A	No	N/A	75.00%	No
12 November 2025	442	Domaine Power Holdings Limited	1 for 2	(17.44)%	(12.35)%	65.12%	5.81%	Yes	N/A	No	N/A	33.33%	No
6 November 2025	8238	Winto Group (Holdings) Limited	3 for 1	(6.98)%	(1.96)%	(52.23)%	5.12%	No	3.00%	No	N/A	75.00%	No
4 November 2025	8283	Zhongshi Minan Holdings Limited	5 for 1	(23.91)%	(4.89)%	(64.68)%	21.67%	No	2.50%	No	N/A	83.33%	No
2 November 2025	1025	KNT Holdings Limited	1 for 1	(9.09)%	(4.76)%	48.15%	9.39%	No	3.00%	No	N/A	50.00%	No
24 October 2025	1029	IRC Limited	1 for 2	(16.39)%	(12.17)%	(61.10)%	9.76%	No	HK\$85,000 or 1.25%, with a minimum fee HK\$15,000	No	N/A	33.33%	No
24 October 2025	482	Sandmartin International Holdings Limited	1 for 1	2.70%	(6.37)%	N/A	5.99%	Yes	N/A	No	N/A	50.00%	No

(Note 3)

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Date of announcement	Stock code	Company name	Basis of entitlement	Premium/ (discount) of the subscription price over to the closing price on the last trading day as stated in the relevant announcement	Premium/ (discount) of the subscription price to the theoretical ex-rights price	Premium/ (discount) of the subscription price over/to the consolidated net asset value per share (Note 1)	Theoretical dilution effect (Note 2)	Excess application (Yes/No)	Placing commission	Underwriting arrangement	Underwriting commission	Maximum dilution on the shareholding (Approx. %)	Whitewash waiver application (Yes/No)
24 October 2025	8153	Yiading International Group Holdings Limited	1 for 2	(38.78)%	(29.69)%	(78.26)%	12.93%	No	2.00%	No	N/A	33.33%	No
22 October 2025	122	Crocodile Garments Limited	1 for 2	(22.68)%	(16.34)%	(92.46)%	7.56%	Yes	N/A	No	N/A	33.33%	No
17 October 2025	8612	World Super Holdings Limited	3 for 1	23.46%	5.26%	669.23% (Note 4)	0.00%	No	2.50%	No	N/A	75.00%	No
15 October 2025	1613	Synertone Communication Corporation	2 for 1	(35.71)%	(15.63)%	(43.75)%	23.81%	No	1.00%	No	N/A	66.67%	No
15 October 2025	209	Winshine Science Company Limited	7 for 1	(23.50)%	(4.10)%	N/A (Note 3)	21.10%	Yes	N/A	Fully underwritten	2.50%	87.50%	No
9 October 2025	8431	Hao Bai International (Cayman) Limited	4 for 1	(19.23)%	(4.55)%	59.09%	23.24%	No	1.50%	No	N/A	80.00%	No
9 October 2025	145	CCIAM Future Energy Limited	1 for 2	(18.62)%	(13.07)%	(6.13)%	6.63%	No	HK\$100,000	No	N/A	33.33%	No
5 October 2025	1909	Fire Rock Holdings Limited	1 for 2	(20.20)%	(14.59)%	195.74% (Note 4)	9.13%	No	HK\$100,000	Non-fully	0.00%	33.33%	Yes
3 October 2025	1680	Macau Legend Development Limited	1 for 2	(45.45)%	(36.17)%	(88.46)%	15.79%	Yes	N/A	Fully underwritten	3.00%	33.33%	No
2 October 2025	80	China New Economy Fund Limited	1 for 2	(29.29)%	(21.70)%	775.00% (Note 4)	9.70%	Yes	N/A	No	N/A	33.33%	No

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Date of announcement	Stock code	Company name	Basis of entitlement	Premium/ (discount) of the subscription price over to the closing price on the last trading day as stated in the relevant announcement	Premium/ (discount) of the subscription price to the theoretical ex-rights price	Premium/ (discount) of the subscription price over/to the consolidated net asset value per share (Note 1)	Theoretical dilution effect (Note 2)	Excess application (Yes/No)	Placing commission	Underwriting arrangement	Underwriting commission	Maximum dilution on the shareholding (Approx. %)	Whitewash waiver application (Yes/No)
26 September 2025	765	Perfected International Holdings Limited	1 for 2	(18.06)%	(12.72)%	152.14% (Note 4)	6.99%	Yes	N/A	No	N/A	33.33%	No
22 September 2025	8282	Gameone Holdings Limited	1 for 2	1.69%	1.12%	(3.23)%	0.55%	Yes	N/A	Non-fully	0.50%	33.33%	No
19 September 2025	6978	Immunotech Biopharm Ltd	1 for 5	(47.70)%	(43.18)%	N/A (Note 3)	8.05%	Yes	N/A	Non-fully	1.45%	16.67%	No
15 September 2025	899	Zhong Jia Guo Xin Holdings Company Limited	2 for 1	(33.64)%	(14.45)%	(97.87)%	24.78%	No	5.00%	No	N/A	66.67%	No
10 September 2025	48	China Automotive Interior Decoration Holdings Limited	3 for 2	(29.73)%	(14.47)%	(88.13)%	17.84%	No	1.50%	Fully underwritten	4.50%	60.00%	No
4 September 2025	8341	Aeso Holding Limited	2 for 1	(25.70)%	(10.35)%	(83.00)%	17.12%	No	2.50%	No	N/A	66.67%	No
4 September 2025	6696	Many Idea Cloud Holdings Limited	6 for 1	(22.08)%	(4.94)%	(90.53)%	20.63%	No	0.20%	No	N/A	85.71%	No
				23.46% (47.70)% (20.81)% (22.08)%	5.26% (43.18)% (11.86)% (10.35)%	65.12% (97.87)% (46.23)% (61.96)%	24.78% 0.00% 13.03% 9.76%				4.50% 0.00% 1.99% 1.98%	87.50% 16.67% 53.76% 50.00%	
19 December 2025	810	The Company	5 for 2	(26.62)%	(9.41)%	(27.14)%	22.73%	No	2.50%	Non-fully	0.00%	71.43%	Yes

Source: website of the Stock Exchange

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- Note 1: The net asset value per share was extracted from the relevant announcement or circular of the Comparables, where such information is not available from the above published sources, computed based on the reported net asset value as shown in the latest interim results or annual results of the Comparables divided by the number of issued shares as at the date of the relevant announcement of the Comparables.*
- Note 2: The theoretical dilution effect is calculated in according to Rule 10.44A of the Rules Governing of the Listing of Securities on GEM or Rule 7.27B of the Listing Rules.*
- Note 3: It is not applicable due to the net liabilities position in the relevant public financial results.*
- Note 4: The premium of the subscription price over the net asset value per share of this comparable is exceptionally high and considered an outlier.*

There are 24 out of 27 Comparables that the pricing of a rights issue represents a discount to the closing share prices on the last trading day and 25 out of 27 Comparables that the pricing of a rights issue represents a discount to the theoretical ex-entitlement prices of the shares. Except for three Comparables that were in net liabilities position, there are 17 out of 24 Comparables that the pricing of a rights issue represents a discount to the consolidated net asset value per share. It is a common market practice to set the subscription price of a rights issue at a discount to the closing share prices on the last trading day and the theoretical ex-entitlement prices in order to enhance the attractiveness of the rights issue for encouraging qualifying shareholders to participate in the rights issue.

The subscription prices of the Comparables:

- (i) ranged from a discount of approximately 47.70% to a premium of approximately 23.46% (the “**Last Trading Day Range**”), with a median of a discount of approximately 22.08% and an average of a discount of approximately 20.81% (the “**Last Trading Day Average Discount**”) to their respective closing prices per share on the last trading day as stated in the relevant announcements of the Comparables;
- (ii) ranged from a discount of approximately 43.18% to a premium of approximately 5.26% (the “**Theoretical Ex-Rights Price Range**”), with a median of a discount of approximately 10.35% and an average of a discount of approximately 11.86% (the “**Theoretical Ex-Rights Price Average Discount**”) for their respective average theoretical ex-rights prices per share based on the closing prices on the last trading day as stated in the relevant announcements of the Comparables; and
- (iii) ranged from a discount of approximately 97.87% to a premium of approximately 65.12% (together, the “**NAV Range**”), with a median of a discount of approximately 61.96% and an average of a discount of approximately 46.23% (the “**NAV Average Discount**”) for their respective subscription price to the net asset value per share of the Comparables.

As stated in the Letter from the Board, the Subscription Price of HK\$0.102 per Rights Share represents (i) a discount of approximately 26.62% to the closing price on the Last Trading Day (the “**Last Trading Day Discount**”); (ii) a discount of approximately 9.41% to the theoretical ex-rights price (the “**Theoretical Ex-Rights Price Discount**”); and (iii) a discount of approximately 27.14% to the unaudited adjusted consolidated net asset value per Share (the “**NAV Discount**”).

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We note that, each of the Last Trading Day Discount, Theoretical Ex-Rights Price Discount and NAV Discount is within the Last Trading Day Range, the Theoretical Ex-Rights Price Range and the NAV Range respectively. The Theoretical Ex-Rights Price Discount and the NAV Discount are lower than the Theoretical Ex-Rights Price Range and the NAV Range. The theoretical dilution effect of the Comparables ranged from discount of approximately 24.78% to nil, which the theoretical dilution effect of the Rights Issue is within the range of the Comparables.

Having considered that (i) a discount to the prevailing historical closing prices of the Shares may attract the Qualifying Shareholders to participate in the Rights Issue; (ii) the Last Trading Day Discount, Theoretical Ex-Rights Price Discount and the NAV Discount is within the Last Trading Day Range, Theoretical Ex-Rights Price Range and NAV Range, respectively; and (iii) the theoretical dilution effect of the Rights Issue is within range of the Comparables and does not result in a theoretical dilution effect of 25% or more, which is in compliance with Rule 7.27B of the Listing Rules, we are of the view that the Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned and the Rights Issue is in the interests of the Company and the Shareholders as a whole.

***(h) Excess application and Compensatory Arrangements***

As set out in table under the sub-section headed “(g) Comparison with recent rights issue exercises” above, 15 out of 27 of the Comparables do not have the arrangement for excess application for the qualifying shareholders and had the placing and compensatory arrangements. Since there is no excess application arrangement for the Rights Issue, the Company has arranged the Compensatory Arrangements for the Unsubscribed Rights Shares and the ES Unsold Rights Shares, which are in full compliance with Rule 7.21(1)(b) of the Listing Rules.

***(i) Placing commission rate in the Placing Agreement***

With reference to the Letter from the Board, the terms of the Placing Agreement, including the commission payable, were determined after arm’s length negotiation between the Company and the Placing Agent with reference to the size of the Rights Issue and the prevailing market rate of commission and are on normal commercial terms.

As set out in table under the sub-section headed “(g) Comparison with recent rights issue exercises” above, we note that the placing commission rate of 2.5% under the Placing Agreement is within the range of the placing commission rates provided by the placing agents of the Comparables, which was ranged from 0.20% to 5.00% of the fund raised. We also note that some of the placing agents of the Comparables would require a minimum fixed fee ranged from HK\$15,000 to HK\$100,000, which was not required in the Placing Agreement. Accordingly, we consider that the placing commission rate in the Placing Agreement is fair and reasonable.

Taking into account the above principal terms of the Rights Issue and the Placing Agreement, we consider that the terms of the Rights Issue and the Placing Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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**(j) *Underwriting commission rate in the Underwriting Agreement***

With reference to the Letter from the Board, the terms of the Underwriting Agreement, including the underwriting commission were determined after arm's length negotiations between the parties, taking into account the financial position of the Group, the size of the Rights Issue, the current and expected market conditions and the prevailing market rates of underwriting commission.

Pursuant to the Underwriting Agreement, the Underwriter will not receive any underwriting commission. From the comparison with recent rights issue exercises, where the selection criteria were set as the same under the comparable analysis under the sub-section headed "(f) Comparison with recent rights issue exercises" above, we note that the underwriting commission received by the underwriters of the Comparables ranged from nil to 4.50%. Among these comparables, one underwriter is a connected person and did not receive underwriting commission, which is common for connected transaction under the underwriting agreement. We consider that zero-commission arrangement under the Underwriting Agreement can save transaction cost and is in the interest of the Company.

Pursuant to the Irrevocable Undertaking, each of Goodchamp and its ultimate beneficial owner, Dr. Lam has given an irrevocable undertaking in favour of the Company, among other things, that (i) Goodchamp will, and Dr. Lam will procure Goodchamp to, subscribe for 88,264,425 Rights Shares which comprise the full acceptance of Goodchamp's provisional entitlement in respect of the 35,305,770 Shares held by it; (ii) Goodchamp will not, and Dr. Lam will procure Goodchamp not to, dispose of any of the 35,305,770 Shares comprising the current shareholding in the Company owned by them and such Shares will remain wholly and beneficially owned by them up to and including the Record Date; and (iii) Goodchamp will, and Dr. Lam will procure Goodchamp to, lodge the acceptance of the 88,264,425 Rights Shares, which will be the number of Rights Shares provisionally allotted to it nil-paid under the Rights Issue, with the Registrar, with payment in full therefor, by no later than the Latest Time for Acceptance or otherwise in accordance with the instructions set out in the Prospectus Documents. We consider that Irrevocable Undertaking indicate Goodchamp's support for the Rights Issue and the Group's business development.

Taking into account the above principal terms of the Underwriting Agreement, we consider that the terms of the Underwriting Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

#### **4. Dilution effect of the Rights Issue on the shareholding of the Company**

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Rights Issue assuming full acceptance by all Shareholders; (iii) immediately upon completion of the Rights Issue, assuming none of the Qualifying Shareholders have taken up any entitled Rights Shares (other than those subscriptions pursuant to the Irrevocable Undertaking) and all the Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) have been placed by the Placing Agent; and (iv) immediately upon completion of the Rights Issue, assuming none of the Qualifying Shareholders have taken up any entitled Rights Shares (other than those subscriptions pursuant to the Irrevocable Undertaking) and none of the Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) have been placed by the Placing Agent, all the Unsubscribed Rights Shares and the ES Unsold Rights Shares were subscribed for through the Underwriter up to the Underwritten Shares:



# LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	(i) As at the Latest Practicable Date		(ii) Immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders		(iii) Immediately upon completion of the Rights Issue, assuming none of the Qualifying Shareholders have taken up any entitled Rights Shares (other than those subscriptions pursuant to the Irrevocable Undertaking) and all the Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) have been placed by the Placing Agent		(iv) Immediately upon completion of the Rights Issue, assuming none of the Qualifying Shareholders have taken up any of their entitlements under the Rights Issue (other than those subscriptions pursuant to the Irrevocable Undertaking and none of the Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) have been placed by the Placing Agent), all the Unsubscribed Rights Shares were subscribed for through the Underwriter up to the Underwritten Shares	
	<i>No. of Shares</i>	<i>Approximate % of total no. of Shares in issue</i>	<i>No. of Shares</i>	<i>Approximate % of total no. of Shares in issue</i>	<i>No. of Shares</i>	<i>Approximate % of total no. of Shares in issue</i>	<i>No. of Shares</i>	<i>Approximate % of total no. of Shares in issue</i>
<b>Shareholders</b>								
Goodchamp, Dr. Lam and parties acting in concert with either of them (Note 1)	35,305,770	17.34	123,570,195	17.34	123,570,195	17.34	504,570,195 (Note 2)	74.98
The Independent Placees	–	–	–	–	420,843,542	59.04	–	–
Other public shareholders	168,337,417	82.66	589,180,959	82.66	168,337,417	23.62	168,337,417	25.02
<b>Total</b>	<b>203,643,187</b>	<b>100.00</b>	<b>712,751,154</b>	<b>100.00</b>	<b>712,751,154</b>	<b>100.00</b>	<b>672,907,612</b>	<b>100.00</b>

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- Note 1: The issued share capital of Goodchamp is wholly and beneficially owned by Dr. Lam, a chairman of the Board and a non-executive Director.*
- Note 2: As at the Latest Practicable Date, Goodchamp has provided the Irrevocable Undertaking to the Company, irrevocable undertaking to subscribe for the Rights Shares to be provisionally allotted to it (i.e., 88,264,425 Rights Shares); and Goodchamp, as the Underwriter, has conditionally agreed to subscribe for up to 381,000,000 Rights Shares (i.e., the Underwritten Shares). Immediately upon completion of the Rights Issue, assuming none of the Qualifying Shareholders have taken up any of their entitlement under the Rights Shares (other than those subscriptions pursuant to the Irrevocable Undertaking), and none of the Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) have been placed by the Placing Agent, all the Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) were subscribed for through the Underwriter up to the Underwritten Shares, Goodchamp will hold 504,570,195 Shares, representing approximately 74.98% of the total issued Shares of the Company as enlarged by the allotment and issue of the Rights Shares. Goodchamp will apply for the Whitewash Waiver to the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. An application has been made by Goodchamp to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code.*
- Note 3: Save for Dr. Lam (through Goodchamp), no Director holds any relevant securities of the Company as at the Latest Practicable Date.*
- Note 4: The percentage of shareholding in the above table is for illustrative purpose only. The Company will take all appropriate steps to ensure that sufficient public float be maintained in compliance with Public Float Requirement.*
- Note 5: Certain percentage figures included in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.*

All Qualifying Shareholders are entitled to subscribe for the Rights Shares. For those Qualifying Shareholders who take up their provisional allotments in full under the Rights Issue, their shareholding interests in the Company will remain unchanged upon completion of the Rights Issue (assuming full acceptance of the Rights Issue). Qualifying Shareholders who do not accept the Rights Issue entitlements can, subject to the then prevailing market conditions, consider selling their nil-paid Rights Shares in the market. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and the Excluded Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue and their aggregate shareholding interests in the Company may be reduced by a maximum of approximately 71.43%.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We note that, assuming no subscription by the Qualifying Shareholders under the Rights Issue, the shareholding interests of the existing public Shareholders would be diluted from approximately 82.66% to 25.02% of the total number of issued Shares immediately before and after the Rights Issue respectively. However, such dilution effect may only arise when Qualifying Shareholders do not subscribe for their pro-rata Rights Shares. Those Qualifying Shareholders who choose to accept the Rights Issue in full can maintain their respective existing shareholding interests in the Company and have the opportunity to realise their nil-paid rights to subscribe for the Rights Shares in the market. Furthermore, the Rights Issue is subject to Independent Shareholder's approval at the SGM. The Independent Shareholders have the opportunity to express their views on the terms of the Rights Issue through their votes at the SGM. We also note that as stated in the table of Comparables in the sub-section headed "(g) Comparison with recent rights issue exercises" above, the Theoretical Ex-Rights Price Discount is within the Theoretical Ex-Rights Price Range and lower than the Theoretical Ex-Rights Price Average Discount. The maximum dilution effect of the Rights Issue was approximately 71.43%, which fall within the range of the Comparables, ranging from approximately 16.67% to 87.50%.

Having considered that (i) the Rights Issue offers the Qualifying Shareholders an opportunity to subscribe for the Rights Shares for maintaining their respective existing shareholding interests in the Company; (ii) the Qualifying Shareholders have the opportunity to sell their nil-paid Rights Shares in the market if they do not wish to take up the Rights Issue entitlements; (iii) the reasons for and benefits of the Rights Issue and the funding needs in particular for the general working capital as stated in the section headed "2. Reason for and benefits of the Rights Issue and use of proceeds" above; (iv) the principal terms of the Rights Issue, the Placing Agreement and the Underwriting Agreement are consistent with prevailing market practices; and (v) the positive impact on the financial position of the Group as stated in the section headed "5. Possible financial effects of the Rights Issue" below, we are of the view that the potential dilution effect on the shareholding interest of the Shareholders (who decide not to take up their assured entitlements in full) as a result of the Rights Shares is acceptable.

### **5. Possible financial effects of the Rights Issue**

It should be noted that the analysis below is for illustrative purpose only and does not purport to represent how the financial position of the Group will become upon completion of the Rights Issue.

Upon completion of the Rights Issue in full and before the utilization of net proceeds as intended by the Company, the estimated net proceeds from the Rights Issue are expected to enhance the Group's cash and bank balance, from approximately HK\$304,000 as at 30 June 2025 to HK\$49.54 million and the Rights Issue is expected to improve the Group's liquidity position immediately after its completion.

Considering that upon completion of the Rights Issue, the capital base of the Company will be strengthened, enabling it to readily seize investment opportunities, execute its investment strategy, and replenish its working capital to support its operations, we are of the view that the Rights Issue is in the interests of the Company and the Independent Shareholders as a whole.

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### 6. Whitewash Waiver

As at the Latest Practicable Date, Goodchamp (being the Underwriter) and the parties acting in concert with it are interested in 35,305,770 Shares, representing approximately 17.34% of the issued share capital of the Company. Assuming none of the Qualifying Shareholders have taken up any entitled Rights Shares (other than those subscriptions pursuant to the Irrevocable Undertaking) and none of the Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) have been placed by the Placing Agent, all the Unsubscribed Rights Shares and the ES Unsold Rights Shares (if any) were subscribed for through the Underwriter up to the Underwritten Shares, Goodchamp, Dr. Lam and parties acting in concert with either of them will be interested in approximately 74.98% of the issued share capital of the Company as enlarged by the issue of the Rights Shares.

Accordingly, Goodchamp would be required to make a mandatory general offer under Rule 26 of the Takeovers Code for all the Shares and other securities not already owned or agreed to be acquired by it and parties acting in concert with it, unless the Whitewash Waiver is granted.

An application has been made by Goodchamp 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 subject to, among other things, (i) the approval by at least 75% of the votes casted by the Independent Shareholders either in person or by proxy at the SGM by way of poll in respect of the Whitewash Waiver; and (ii) the approval by more than 50% of the votes casted by the Independent Shareholders either in person or by proxy at the SGM by way of poll in respect of the Rights Issue (including the Underwriting Agreement) and the respective transactions contemplated thereunder.

In view that (i) it is in the interests of the Company and the Independent Shareholders as a whole to raise capital through the Rights Issue for the Group's business expansion to capture the suitable investment opportunities as an investment company under Chapter 21 of the Listing Rules and replenish the working capital of the Group as discussed in the section headed "2. Reasons for and benefits of the Rights Issue and use of proceeds" above in this letter; (ii) the principal terms of the Rights Issue, the Placing Agreement and the Underwriting Agreement are on normal commercial terms, fair and reasonable as discussed in the section headed "3. Principal terms of the Rights Issue" above in this letter; and (iii) the approval of the Whitewash Waiver by the Independent Shareholders and the granting of the Whitewash Waiver by the Executive is a non-waivable condition precedent to the Rights Issue, we are of the view that the Whitewash Waiver is fair and reasonable so far as the Independent Shareholders are concerned and in the interest of the Company and the Independent Shareholders as a whole.

### RECOMMENDATION

Having taken into account the principal factors and reasons as discussed above, in particular,

- (i) the Group's current bank and cash balance is limited and there is an immediate funding needs to capitalise the investment opportunities and replenish its working capital;
- (ii) the Group seeks to expand its investment exposure in new energy, AI and digital assets sectors, taking advantage of favourable market conditions as discussed in the section headed "2. Reasons for and benefits of the Rights Issue and use of proceeds";

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (iii) the Rights Issue is the most appropriate fund-raising method over the other financing alternatives as discussed in the sub-section headed “(b) Alternative sources of financing”;
- (iv) the principal terms of the Rights Issue, the Placing Agreement and the Underwriting Agreement are consistent with prevailing market practices as discussed in sub-section headed “(g) Comparison with recent rights issue exercises”;
- (v) Irrevocable Undertaking provided by Goodchamp demonstrate Goodchamp’s confidence and support for the Group’s business development and zero-commission arrangement under the Underwriting Agreement is favourable to the Group;
- (vi) the approval of the Whitewash Waiver by the Independent Shareholders and the granting of the Whitewash Waiver by the Executive is a non-waivable condition precedent to the Rights Issue. If the Whitewash Waiver is not granted by the Executive, or if granted, is not approved by the Independent Shareholders, the Rights Issue will not proceed,

we are of the opinion that the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder and the Whitewash Waiver are on normal commercial terms, and fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole.

Accordingly, we would recommend the Independent Shareholders and the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the upcoming SGM to approve the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder and the Whitewash Waiver.

Yours faithfully,  
For and on behalf of  
**INCU Corporate Finance Limited**  
**Gina Leung** **Psyche So**  
*Managing Director* *Associate Director*

*Ms. Gina Leung is a licensed person registered with the SFC and a responsible officer of INCU Corporate Finance Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. She has over 20 years of experience in the corporate finance industry and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong.*

*Ms. Psyche So is a licensed person registered with the SFC and a responsible officer of INCU Corporate Finance Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. She has over nine years of experience in the corporate finance industry and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong.*

## 1. SUMMARY OF FINANCIAL INFORMATION OF THE COMPANY

The following is a summary of the financial information of the Company for each of the three years ended 31 December 2022, 2023 and 2024 and for the six months ended 30 June 2025 respectively, as extracted from the published annual reports and interim report of the Company for the relevant years/period.

	For the period ended 30 June 2025 (HK\$'000) (Unaudited)	For the year ended 31 December 2024 (HK\$'000) (Audited)	2023 (HK\$'000) (Audited)	2022 (HK\$'000) (Audited)
Gross proceeds from operations	3,465	23,652	71,754	31,896
Revenue				
Dividend income from financial assets at fair value through profit or loss ("FVTPL")	147	328	220	493
Net gains/(losses) on financial assets at FVTPL	2,159	(10,445)	13,030	(10,819)
Other income	–	83	63	313
Other gains and losses	1	213	(15)	(36)
Administrative expenses	(5,539)	(10,579)	(18,436)	(16,638)
Other operating expenses	(585)	(1,185)	(1,144)	(1,268)
Loss from operations	(3,817)	(21,585)	(6,282)	(27,955)
Finance costs	–	(13)	(29)	(36)
Loss before tax	(3,817)	(21,598)	(6,311)	(27,991)
Income tax expense	–	–	–	–
Loss for the period/year attributable to owners of the Company	(3,817)	(21,598)	(6,311)	(27,991)
Loss per share attributable to owners of the Company				
– Basic (HK cents per share)	(2.25)	(15.11)	(4.46)	(19.79)
– Diluted (HK cents per share)	(2.25)	(15.11)	(4.46)	(19.79)

No dividend was paid, declared or proposed by the Company during each of the three years ended 31 December 2022, 2023 and 2024 and during the six months ended 30 June 2025.

There were no profit or loss attributable to non-controlling interests, comprehensive income attributable to non-controlling interests, other items of any income or expense which is material in respect of the income statement of the Company for each of the three years ended 31 December 2022, 2023 and 2024 and for the six months ended 30 June 2025 respectively.

The auditors of the Company for the three years ended 31 December 2022, 2023 and 2024 were RSM Hong Kong. There were no modified opinion, emphasis of matter or material uncertainty related to going concern contained in the auditor's report on the financial statements of the Company for each of the three years ended 31 December 2022, 2023 and 2024.

There was no change in accounting policy applicable to the three years ended 31 December 2022, 2023 and 2024 which rendered the financial figures not comparable to a material extent.

## **2. AUDITED FINANCIAL STATEMENTS OF THE COMPANY**

The financial information of the Group for each of the three years ended 31 December 2022, 2023 and 2024 and for the six months ended 30 June 2025 respectively has been set out in the annual report of the Company for the relevant years/period and is available on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.irasia.com/listco/hk/810>) and (<http://www.hk0810.com.hk>) as specifically set out below:

- (i) the annual report of the Company for the year ended 31 December 2022 published on 28 April 2023, from pages 131 to 211, which is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042801634.pdf>

- (ii) the annual report of the Company for the year ended 31 December 2023 published on 29 April 2024, from pages 129 to 203, which is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042901883.pdf>

- (iii) the annual report of the Company for the year ended 31 December 2024 published on 22 April 2025, from pages 125 to 199, which is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0422/2025042201343.pdf>

- (iv) the interim report of the Company for the period ended 30 June 2025 published on 15 September 2025, from pages 20 to 37, which is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0915/2025091500447.pdf>

The audited financial statements of the Company for each of the three years ended 31 December 2022, 2023 and 2024 and for the six months ended 30 June 2025 (but not any other parts of the annual reports for the years ended 31 December 2022, 2023 and 2024 and the interim report for the six months ended 30 June 2025) are incorporated by reference into this circular and form part of this circular.

### 3. STATEMENT OF INDEBTEDNESS

As at 30 November 2025, the Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities, borrowings or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, pledges, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

The Directors confirm that (i) there has not been any material change in the indebtedness of the Group since 30 November 2025 and up to the Latest Practicable Date; and (ii) there was no material default in payment of the trade and non-trade payables of the Group, nor did the Group breach any relevant finance covenants, up to the Latest Practicable Date.

### 4. SUFFICIENCY OF WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the net proceeds from the Rights Issue, the existing cash and bank balances and other internal financial resources available to the Group (including internally generated funds), the Group will have sufficient working capital for its present requirements and for at least the next twelve months from the date of this circular in the absence of unforeseen circumstances.

### 5. MATERIAL CHANGE

Save as disclosed below, the Directors confirm that there was no material change in the financial or trading position or outlook of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date:

- (i) on 1 September 2025, Silver World International Limited, an indirect wholly-owned subsidiary of the Company, entered in to a memorandum of understanding (“**MOU**”) with 廣州合粵新能源科技有限公司 (Guangzhou Heyue New Energy Technology Co., Ltd.\*) (the “**Target Company**”) in relation to, among other things, the possible investment to acquire equity interest in the Target Company (the “**Possible Investment**”). The Target Company is a company incorporated in the PRC with limited liabilities. It is mainly engaged in providing high-quality integrated new energy solutions, specializing in the investment, construction and operation of new energy sectors (photovoltaics, inverters, energy storage, charging stations microgrids and hydrogen energy). Subject to a legally binding agreement (the “**Formal Agreement**”), the investment amount is not more than HK\$5,500,000, according to the MOU. The finalised investment amount, the manner of the Possible Investment, the number of Shares to be acquired under the Possible Investment will be subject to further due diligence and negotiations between the parties to the MOU before entering into any Formal Agreement. If no Formal Agreement is executed within twelve (12) months from the date of the MOU, the MOU shall terminate automatically; and



- (ii) on 3 October 2025, the Company entered into a placing agreement (the “**Placing Agreement**”) with Kingston Securities Limited (the “**Placing Agent**”) as placing agent, pursuant to which the Company has conditionally agreed to place through the Placing Agent up to a total of 33,936,000 new Shares (the “**Placing Shares**”) at the placing price of HK\$0.112 per Placing Share. Completion of the placing took place on 27 October 2025 in accordance with the Placing Agreement. The Placing Agent has successfully placed an aggregate of 33,936,000 Placing Shares to not less than six placees. The net proceeds of the placing amounted to approximately HK\$3.61 million.

## 6. BUSINESS TREND AND FINANCIAL AND TRADING PROSPECTS

The Company is principally engaged in investment in equity and debt securities of listed and unlisted companies. During the year ended 31 December 2024, there were no significant changes to the Group’s principal activities.

During the year of 2024, in the United States, the Dow, Nasdaq and S&P 500 rose 12.9%, 28.6% and 23.3% respectively. Market sentiment turned bullish as major central banks commenced monetary easing amid signs of moderating inflation. In the US, the Federal Reserve lowered interest rates three times for a total of 100 basis points during September 2024 to December 2024. Rate-sensitive technology stocks in the US outperformed, supported by favourable prospects for the artificial intelligence sector. Economic data remained resilient. The market was optimistic on the economic outlook under the new US administration, given anticipation of pro-business policies including deregulation of the financial sector, tax cuts and increased spending.

In Hong Kong, the Hang Seng Index (“**HSI**”) and the Hang Seng TECH Index (“**HSTI**”) increased 17.7% and 18.7% respectively. The HSI had accumulated gain after the Mainland authorities announced a series of new policy stimuli in late September 2024 and hit a two-year high in October 2024. Hong Kong’s market performance was benefited by the market sentiment improved following optimism over policy support introduced by the Mainland authorities, which spurred international investors’ confidence in Mainland-related stocks.

Nevertheless, a weaker Renminbi added to worries about earnings of Mainland stocks in Hong Kong Dollar terms. In addition, uncertainties about trade relations between the Mainland and the West as well as geopolitical conflicts in the Middle East, Ukraine and the Korean Peninsula weighed on the market.

The higher market turnover in the Hong Kong stock market in 2024 was partly due to price effect following the market rebound and improvement in investor sentiment. Under the circumstances, the Group tried to explore more focus on the index constituents of major Hang Seng indices for seeking better return during the year of 2024. However, due to the inactive trading volume of non-constituent stocks market, the overall trading volume of the Group during the year was affected. Consequently, the gross proceeds from the disposal of investments for the year ended 31 December 2024 decreased to about HK\$23.4 million (2023: about HK\$71.5 million).

For the year ended 31 December 2024, the revenue of the Group of about HK\$0.3 million (2023: HK\$0.2 million) primarily comprised dividend income from our equity investment, and the loss from operations increased from HK\$6.3 million to about HK\$21.6 million. The fair value loss was about HK\$10.4 million which was due to the performance of the non-constituent stocks market.

The first half of 2025 brought unprecedented challenges, driven by a broad reordering of trade relations and political alliances around the globe. During the period, despite a V-shaped rebound in global equities, uncertainty and volatility remained the key themes across the macroeconomy and global markets. Tariffs, downgrades to earnings and economic forecasts and geopolitical conflicts were the defining factors for markets.

Global equities advanced in the first half of 2025. Shares in China saw a sharp rise in the first quarter, driven by government stimulus measures, such as interest rate cuts, support for the country's troubled property sector, and liquidity injections, which helped stabilise the economy and restore investor confidence. Advances in artificial intelligence ("AI") by Chinese companies have also led investors to reevaluate China as a leader in the technology sector with strong growth potential. In the US, the S&P 500, Dow and Nasdaq rose 5.5%, 3.6% and 5.5% respectively. Gains were led by the information technology and communication services sectors as investor appetite for some of the "Magnificent 7" stocks reignited, while stocks with exposure to artificial intelligence staged a strong recovery after experiencing some weakness earlier in the year.

In Hong Kong, the AI boom, trade war volatility, and policy support drove HSI to a 20% gain. HSI and HSTI continued their up-ward momentum, in the first half of 2025, HSI closed at 24,072 points and HSTI closed at 5,302 points, rising 20% and 18.7% respectively. The Company has recorded net fair value gain from listed equity investment portfolio of approximately HK\$2.2 million for the period, however, this underperformed relative to the market. This was mainly due to the rebound predominantly focusing on the index constituents of major HSI especially in the Tech & internet sectors rather than on non-constituent stocks.

As at 30 June 2025, the Group's portfolio value amounted to about HK\$20.2 million (2024: about HK\$20.1 million). The portfolio comprised a mix of Hong Kong-listed equities which were classified as financial assets at fair value through profit or loss. The current and non-current portions of the listed equities portfolio were in the amount of about HK\$12.2 million and HK\$8.1 million, respectively.

Despite de-escalations, geopolitical tensions, tariffs, trade policy, inflation, interest rates and monetary policy volatility could continue to affect global market dynamics in the near term. The investment in AI technologies today can yield robust returns, especially as costs fall and applications expand from digital realms into physical spaces. This transition to embodied AI creates an exciting frontier that could transform how people live and work, and entails lucrative investment opportunities down the road. Moreover, the Stablecoins Ordinance has come into effect on 1 August 2025, establishing a licensing regime for fiat-referenced stablecoin issuers in Hong Kong. The Stablecoins Ordinance marks a key step in enhancing the regulatory framework for digital asset activities, safeguarding monetary and financial stability, as well as strengthening Hong Kong's status as an international financial centre. The Company will consider investment prospects in these sectors if suitable.

Although the worldwide major stock markets resumed an upward trend after experiencing a rapid correction in the first half of 2025, changes in international situation may affect the world's major economies, leading to uncertainty in the global economy for the second half of 2025.

The Company will continue its investing activities in a prudent yet proactive manner, emphasise on diversification of investment in 2026 which is crucial for effective risk management. The Company will also explore various ways to enhance its financial strength with the aim of improving our overall performance for the whole year.

**A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group prepared in accordance with Paragraph 13 of Appendix D1B and Paragraph 29 of Chapter 4 of the Listing Rules is set out below to illustrate the effects of the proposed rights issue on the basis of five rights shares at a subscription price of HK\$0.102 each for every two issued shares of the Company (the “**Rights Issue**”) on the consolidated net tangible assets of the Group as if the Rights Issue had taken place on 30 June 2025.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only, based on the judgements and assumptions of the Directors of the Company, and because of its hypothetical nature, may not give a true picture of the financial position of the Group following the Rights Issue.

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group is based on the unaudited consolidated net tangible assets of the Group as at 30 June 2025, adjusted as described below:

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 (Note 1) HK\$'000	Estimated net proceeds from the Rights Issue (Note 2) HK\$'000	Unaudited pro forma adjusted consolidated net tangible assets of the Group after the completion of the Rights Issue HK\$'000
	28,045	49,241	77,286
Unaudited consolidated net tangible assets per share before the completion of the Rights Issue (Note 3)			HK\$0.17
Unaudited pro forma adjusted consolidated net tangible assets per share immediately after the completion of the Rights Issue (Note 4)			HK\$0.11

*Notes:*

1. The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2025 were extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2025 included in the Group's published interim report for the six months ended 30 June 2025.
2. The estimated net proceeds from the Rights Issue are based on 509,107,967 Rights Shares at the subscription price of HK\$0.102 per Rights Share, after deduction of the related expenses of approximately HK\$2.7 million, which is directly attributable to the Rights Issue.
3. The number of shares used for the calculation of unaudited consolidated net tangible assets per share before the completion of the Placing and the Rights Issue is based on 169,707,187 shares in issue as at 30 June 2025.
4. The unaudited pro forma statement of adjusted consolidated net tangible assets per share immediately after the completion of the Placing and the Rights Issue is calculated based on the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2025 immediately after the completion of the Rights Issue of approximately HK\$77,286,000 and 678,815,154 shares in issue assuming the Rights Issue had been completed on 30 June 2025, which comprises (i) 169,707,187 shares in issue as at 30 June 2025 before the Rights Issue and (ii) 509,107,967 shares to be issued under the Rights Issue.
5. No adjustment has been made to the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Company entered into subsequent to 30 June 2025. On 27 October 2025, the placing of 33,936,000 shares was completed at the price of HK\$0.112 per share. The net proceeds from the placing received by the Company, after deducting all related costs, fees, expenses and commission, are approximately HK\$3.61 million. The placing of 33,936,000 shares, being a not adjusted subsequent event and not directly attributable to the Rights Issue, not be included as an unaudited pro forma adjustment. The number of 509,107,967 Rights Shares, being the maximum total number of Rights Shares issuable assumed in the presenting unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2025 per share immediately after the completion of the Rights Issue is based on the actual number of shares in issue on the latest practicable date which took into the consideration of the placing of 33,936,000 shares on 27 October 2025.

**B. ACCOUNTANT’S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP**

*The following is the text of the independent reporting accountants’ assurance report, received from RSM Hong Kong, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Unaudited Pro Forma Financial Information of the Company, prepared for the purpose of inclusion in this circular.*



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27 January 2026

The Board of Directors  
China Castson 81 Finance Company Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of China Castson 81 Finance Company Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma adjusted consolidated net tangible assets as at 30 June 2025 as set out on pages II-1 to II-2 of the Circular issued by the Company. The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described in page II-1 to page II-2.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the Rights Issue on the Group’s net tangible assets as at 30 June 2025 as if the transaction had been taken place on 30 June 2025. As part of this process, information about the Group’s net tangible assets has been extracted by the Directors from the Group’s unaudited condensed consolidated financial statements as included in the interim report for the six months ended 30 June 2025, on which a review report has been published.

**Directors’ Responsibility for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 13 of Appendix D1B and paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

**Our Independence and Quality Management**

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

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountant's Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

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

The purpose of pro forma financial information included in a Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2025 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

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

### **Opinion**

In our opinion:

- a. the pro forma financial information has been properly compiled on the basis stated;
- b. such basis is consistent with the accounting policies of the Group; and
- c. the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

**RSM Hong Kong**

*Certified Public Accountants*

Hong Kong



*The following is the text of a letter and property valuation report prepared for the purpose of incorporation in this circular received from Peak Vision Appraisals Limited, an independent property valuer, in connection with its opinion of market value of the property as at 30 November 2025.*



**Peak Vision**  
Appraisals Limited

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27 January 2026

The Board of Directors  
China Castson 81 Finance Company Limited  
Unit 18, 9th Floor, Block B  
Focal Industrial Centre  
21 Man Lok Street  
Hungghom, Kowloon  
Hong Kong

Dear Sirs,

Re: Valuation of leasehold interest of Workshop Unit No. 18 on 9th Floor of Block B, Focal Industrial Centre, No. 21 Man Lok Street, Hungghom, Kowloon

---

In accordance with the instruction from China Castson 81 Finance Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for us to value the captioned property located in the Hong Kong Special Administrative Region (“**Hong Kong**”), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for providing you with our opinion of value of the property as at 30 November 2025 (the “**Valuation Date**”) for public documentation purpose.

This letter, forming part of our valuation report, identifies the property being valued, explains the basis and methodology of our valuation and lists out the assumptions and title investigations, which we have made in the course of our valuation, as well as the limiting conditions.

Our valuation is our opinion of market value which is defined to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

In valuing the property, which is held for owner occupation by the Group, we have adopted the direct comparison method assuming the property is capable of being sold in its existing state with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant market.

Our valuation has been made on the assumption that the owner sells the property on the open market in its existing state without the benefit of deferred terms contracts, leasebacks, joint ventures, management agreements or any similar arrangements which could serve to affect the value of the property. No forced sale situation in any manner is assumed in our valuation. In addition, we have not considered any option or right of pre-emption which would concern or affect the sale of the property.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

For the purpose of compliance with Rule 11.3 of The Codes on Takeovers and Mergers and Share Buy-backs published by the Securities and Futures Commission (the “SFC”) of Hong Kong, and as advised by the Group, the potential tax liabilities which will arise from the sale of the property include:

- Profits tax at 8.25% on assessable profits up to HK\$2,000,000; and 16.50% on any part of assessable profits over HK\$2,000,000; and
- Stamp duty (of which both the seller and the buyer are jointly and severally liable) for the real properties in Hong Kong, is as follows:

Amount or value of the consideration or value of the property (whichever is the higher)		
Exceeds	Does not exceed	Rates
	HK\$4,000,000	HK\$100
HK\$4,000,000	HK\$4,323,780	HK\$100 + 20% of excess over HK\$4,000,000
HK\$4,323,780	HK\$4,500,000	1.5%
HK\$4,500,000	HK\$4,935,480	HK\$67,500 + 10% of excess over HK\$4,500,000
HK\$4,935,480	HK\$6,000,000	2.25%
HK\$6,000,000	HK\$6,642,860	HK\$135,000 + 10% of excess over HK\$6,000,000
HK\$6,642,860	HK\$9,000,000	3.00%
HK\$9,000,000	HK\$10,080,000	HK\$270,000 + 10% of excess over HK\$9,000,000
HK\$10,080,000	HK\$20,000,000	3.75%
HK\$20,000,000	HK\$21,739,120	HK\$750,000 + 10% of excess over HK\$20,000,000
HK\$21,739,120		4.25%

As advised by the Group, the likelihood of the above relevant tax liabilities being crystallised is remote as the Group has no intention to dispose of the property.

We have caused a title search to be made at the Land Registry of Hong Kong in respect of the property. However, we have not searched the original documents to verify the ownership or to ascertain the existence of any amendments.

The property was inspected during December 2025 by Mr. Chern Sung Lee, a director of our firm who has over 10 years of experience in the inspection of properties in Hong Kong and abroad. We have inspected the exterior and, where possible, the interior of the property. In the course of our inspections, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report whether the property is free from rot, infestation or any other defects. No tests were carried out on any of the services.

We have not carried out on-site measurements to verify the correctness of the floor areas of the property but have assumed that the floor areas shown on the documents and floor plans available to us are correct. Dimensions, measurements and areas included in the attached property valuation report are based on information contained in the documents provided to us and are, therefore, only approximations.

As advised by the Group, there are no material environmental, social, and governance (“**ESG**”) factors expected to impact the valuation of the valuation subject(s). Accordingly, and as agreed with the Group, ESG related considerations have not been incorporated into the valuation. In the course of our valuation, we have assumed that no significant ESG factors exist that would affect the valuation. This valuation does not constitute an ESG risk assessment or ESG rating.

We have relied to a considerable extent on the information provided by the Group and have accepted advice on such matters as planning approvals, statutory notices, easements, tenures, particulars of occupancy, floor areas and all other relevant materials regarding the property.

This valuation reflects facts and conditions existing as at the Valuation Date. Subsequent events have not been considered and we are not required to update our report for such events and conditions.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Group that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld. The management of the Company has reviewed and confirmed the factual content and has agreed to the assumptions and limiting conditions of this report.

In valuing the property, we have complied with all the requirements set out in Rule 11 of The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards 2024 published by the Hong Kong Institute of Surveyors (the “**HKIS**”), the RICS Valuation – Global Standards (Effective from 31 January 2025) published by the Royal Institution of Chartered Surveyors (the “**RICS**”) and the International Valuation Standards (Effective 31 January 2025) published by the International Valuation Standards Council, where applicable, and under generally accepted valuation procedures and practices.

For the subject valuation, Peak Vision Appraisals Limited does not yet adopt a rotation policy, and instead, our valuation will be periodically reviewed by another member of the HKIS and/or the RICS, where applicable.

In accordance with the RICS Valuation – Global Standards (Effective from 31 January 2025), we are also required to draw your attention to the possibility that this valuation may be investigated by the RICS for compliance with such standards.

Unless otherwise stated, all monetary amounts stated in this report are in Hong Kong Dollars (HK\$).

We hereby confirm that we have no material connection or involvement with the Group, the property or the value reported herein and that we are in a position to provide an objective and unbiased valuation.

Our property valuation report is enclosed herewith.

Yours faithfully,  
For and on behalf of  
**Peak Vision Appraisals Limited**

**Nick C. L. Kung**  
*MRICS, MHKIS, R.P.S. (GP),*  
*RICS Registered Valuer, MCIREA*  
*Director*

**Chern Sung Lee**  
*CFA, CPA, MRICS,*  
*RICS Registered Valuer*  
*Director*

*Notes:*

- (1) Mr. Nick C. L. Kung is a RICS Registered Valuer and a Registered Professional Surveyor (General Practice) who has over 20 years of experience in the valuation of properties in Hong Kong and abroad.
- (2) Mr. Chern Sung Lee is a CFA Charterholder, a member of the Hong Kong Institute of Certified Public Accountants, a member of the Royal Institution of Chartered Surveyors and a RICS Registered Valuer and has more than 10 years of experience in the valuation of properties in Hong Kong and abroad.

## Property Valuation Report

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2025
Workshop Unit No. 18 on 9th Floor of Block B, Focal Industrial Centre, No. 21 Man Lok Street, Hunghom, Kowloon	Focal Industrial Centre comprises 2 blocks of 13-storey industrial buildings with car parking facilities on the ground floor, completed in about 1986. It is bounded by Man Lok Street, Hok Yuen Street East and Hung Hom Road within Hunghom, Kowloon.	As advised by the Group, as at the Valuation Date, the property was owner-occupied.	HK\$7,790,000 (HONG KONG DOLLARS SEVEN MILLION SEVEN HUNDRED AND NINETY THOUSAND ONLY)
8/3,371st equal and undivided parts or shares of and in Section C of Kowloon Marine Lot No. 113 (the “Lot”)	The property comprises a workshop on the 9th floor of Block B of Focal Industrial Centre with a gross floor area of approximately 2,335 sq.ft. (216.93 sq.m.) and a saleable area of approximately 1,861 sq.ft. (172.89 sq.m.).  Kowloon Marine Lot No. 113 is held under Conditions of Exchange No. 11128 for a term of 75 years commencing from 15 September 1972.  The government rent payable for the Lot is HK\$8,884 per annum.		(100% interest attributable to the Group: HK\$7,790,000 (HONG KONG DOLLARS SEVEN MILLION SEVEN HUNDRED AND NINETY THOUSAND ONLY))

## Notes:

- i) According to the Land Registry Search conducted on 23 December 2025, the registered owner of the property is Nicefield Asia Limited (an indirect wholly-owned subsidiary of the Company) vide Memorial No. 14090200340068 dated 15 August 2014 for a consideration of HK\$12,300,000.
- ii) As at the Valuation Date, the property was zoned as “Other Specified Uses (Business)” under Draft Hung Hom Outline Zoning Plan No. S/K9/29 dated September 2025.

- iii) In valuing the property, we have adopted the direct comparison method, which provides an indication of value by comparing the asset with identical or similar assets for which price information is available. Adjustments were made to reflect the differences in various aspects between the subject property and the comparables to arrive at the adopted unit rate of the property.
- iv) In our valuation, we have adopted unit rate of approximately HK\$4,184 per sq.ft. on saleable area basis for the property, which is based on the simple average of the following sales comparables after adjustments.

In our valuation, we have made reference to sale comparables in the vicinity, i.e. sales comparables in Focal Industrial Centre. These sale comparables are properties with the same use and transacted within 1 month\* from the Valuation Date, which are deemed sufficient, appropriate and reasonable to derive a reliable opinion of value of the property as at the Valuation Date. The market comparables are about HK\$4,030 to HK\$4,316 per sq.ft. on saleable area basis for industrial properties. The unit rate adopted by us is consistent with the said sales comparable references after due adjustments. Due adjustments to those sales comparables have been made to reflect factors including but not limited to time, location, floor, view, size, layout and condition in arriving at our opinion of value.

In our valuation, the sales comparables adopted for the property are exhaustive based on the selection criteria. We consider these comparables are located in the vicinity and are of the same use, thus are representative of and comparable to the property. The details are as follows:

Comparable	1	2	3
Property Address	Focal Industrial Centre, No. 21 Man Lok Street, Hungghom, Kowloon	Focal Industrial Centre, No. 21 Man Lok Street, Hungghom, Kowloon	Focal Industrial Centre, No. 21 Man Lok Street, Hungghom, Kowloon
Block	A	A	A
Floor	4	4	12
Unit	11	12	11
Use	Industrial	Industrial	Industrial
Approximate			
Saleable Area (sq.ft.)	1,923	1,923	1,923
Transaction Price (HK\$)	8,300,000	8,300,000	7,750,000
Unit Rate (HK\$/sq.ft.)	4,316	4,316	4,030
Date	13 November 2025	13 November 2025	26 November 2025
<b>Adjustments</b>			
Time	Similar with the property	Similar with the property	Similar with the property
Location	Similar with the property	Similar with the property	Similar with the property
Floor	Superior to the property	Superior to the property	Inferior to the property
view	Inferior to the property	Inferior to the property	Superior to the property
Size	Similar with the property	Similar with the property	Similar with the property
Layout and condition	Similar with the property	Similar with the property	Similar with the property

\* Generally, comparables that are closer to the Valuation Date offer a more accurate reflection of market conditions as at the Valuation Date, and the time frame of comparables depends on the availability of relevant comparables. Typically, we incorporate more than 3 comparables in our valuations whenever possible. In the course of our valuation, given that transactions occurred within 1 month from the Valuation Date are sufficient to derive an objective and reliable opinion of value, we deemed the 1-month time frame to be reasonable.

<b>Comparable</b>	<b>4</b>
Property Address	Focal Industrial Centre, No. 21 Man Lok Street, Hung Hom, Kowloon
Block	A
Floor	12
Unit	12
Use	Industrial
Approximate Saleable Area (sq.ft.)	1,923
Transaction Price (HK\$)	7,750,000
Unit Rate (HK\$/sq.ft.)	4,030
Date	28 November 2025
<b>Adjustments</b>	
Time	Similar with the property
Location	Similar with the property
Floor	Inferior to the property
view	Superior to the property
Size	Similar with the property
Layout and condition	Similar with the property

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors and the sole director of the Investment Manager collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors and the sole director of the Investment Manager, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular (other than the information relating to the Underwriter and parties acting in concert with it) is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein (other than the information relating to the Underwriter and parties acting in concert with it) or this circular misleading.

This circular includes particulars given in compliance with the Takeovers Code. The Directors and the sole director of the Investment Manager jointly and severally accept full responsibility for the accuracy of the information contained in this circular (other than the information relating to the Underwriter and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular (other than those expressed by the directors of the Underwriter in his capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

The directors of the Underwriter, namely Dr. Lam and Ms. Ting Lai Ling, accepts full responsibility for the accuracy of the information contained in this circular (other than those relating to the Group) and confirms, having made all reasonable enquiries, to the best of his knowledge, opinions expressed in this circular (other than those expressed by the other Directors and the sole director of the Investment Manager) have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

## 2. SHARE CAPITAL

The authorised and issued share capital of the Company, assuming there is no further change in the number of issued Shares from the Latest Practicable Date up to and including the date of completion of the Rights Issue (i) as at the Latest Practicable Date; and (ii) immediately following the allotment and issue of the Rights Shares will be as follows:

### (i) As at the Latest Practicable Date:

*Authorised share capital:* HK\$

<u>20,000,000,000</u> Shares of HK\$0.01 each	<u>200,000,000</u>
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*Issued and fully paid:*

<u>203,643,187</u> Shares of HK\$0.01 each	<u>2,036,431.87</u>
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## (ii) Immediately following the allotment and issue of the Rights Shares:

*Authorised share capital:* *HK\$*

<u>20,000,000,000</u> Shares of HK\$0.01 each	<u>200,000,000</u>
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*Issued and fully paid:*

203,643,187 Shares of HK\$0.01 each	2,036,431.87
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509,107,967 Rights Shares to be allotted and issued under the Rights Issue	5,091,079.67
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712,751,154 Shares in issue immediately upon completion of the Rights Issue	7,127,511.54
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All the Shares rank *pari passu* with each other in all respects including the rights as to dividends, voting and return of capital.

The number of Shares in issue as at 31 December 2024, being the date to which the latest audited financial statements of the Company were made up to, was 169,707,187.

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the existing Shares in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid with a record date falling after the date of allotment and issue of the Rights Shares in their fully paid form.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms). Nil-paid Rights Shares are expected to be traded in board lots of 6,000.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and other applicable fees and charges in Hong Kong.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

As at the Latest Practicable Date, the Company had no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Shares.

### 3. MARKET PRICES

The table below shows the closing price(s) of the Shares as quoted on the Stock Exchange (i) on the Last Trading Day, (ii) at the end of each calendar months during the Relevant Period and (iii) on the Latest Practicable Date:

<b>Date</b>	<b>Closing price per Shares HK\$</b>
31 July 2025	0.150
29 August 2025	0.140
30 September 2025	0.140
31 October 2025	0.138
28 November 2025	0.152
19 December 2025 (the Last Trading Day)	0.139
31 December 2025	0.124
23 January 2026 (the Latest Practicable Date)	0.136

The highest and lowest closing prices per Share recorded on the Stock Exchange during the period commencing on 19 June 2025 (being the date falling six months immediately prior to the date of the Announcement) and ending on the Latest Practicable Date were HK\$0.123 on 6 January 2026, HK\$0.165 on 6 October 2025.

### 4. DISCLOSURE OF INTERESTS

**(i) Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company or any associated corporations**

As at the Latest Practicable Date, the interests and short positions, if any, of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were deemed or taken to have under such provisions of the SFO); or (ii) which were required to be and are recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (iii) as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in the Listing Rules; or (iv) which were required to be disclosed under the Takeovers Code, were as follows:

*Long positions in the Shares and underlying Shares*

Name of director	Capacity	Number of existing Shares held	Approximate percentage of the Company's issued share capital
Dr. Lam (note 1)	Interest of controlled corporation	35,305,770	17.34%

*Note:*

1. Dr. Lam the chairman of the Board and a non-executive Director. He is the sole shareholder and one of the directors of Goodchamp. He thus has the beneficial interest in the 35,305,770 Shares and his wife, Ms. Ting Lai Ling, who is one of the management team members of the Company, is deemed to have an interest on such Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, chief executives of the Company or their associates had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were record in the register required to be kept by the Company under section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code or as required to be disclosed under the Takeovers Code.

**(ii) Interests and short positions of substantial shareholders**

As at the Latest Practicable Date, the following person(s) (other than the Directors and the chief executive of the Company) has, or is deemed to have, interests or short positions in the Shares or underlying Shares, (a) which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, (b) who was, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group or had any options in respect of such securities, details of which are set out as follows: according to the register kept by the Company pursuant to section 336 of SFO.

*Long positions in the Shares and underlying Shares:*

Name of shareholder	Capacity	Number of existing Shares held	Approximate percentage of the Company's issued share capital
Goodchamp (note 1)	Beneficial owner	35,305,770	17.34%
Dr. Lam (note 1)	Interest of controlled corporation	35,305,770	17.34%
Ms. Ting Lai Ling (note 1)	Interest of spouse	35,305,770	17.34%

*Note:*

1. Dr. Lam is the sole shareholder and one of the directors of Goodchamp. He thus has the beneficial interest in the 35,305,770 Shares and his wife, Ms. Ting Lai Ling, who is one of the management team members of the Company, is deemed to have an interest on such Shares.

Save as disclosed above, as at the Latest Practicable Date, as far as the Directors are aware, the Company has not been notified by any person (other than the Directors or chief executive of the Company) who had interests or short position in the Shares or underlying shares of the Company would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

## **5. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, (i) none of the Directors had any service contracts with the Company or any of its subsidiaries or associated companies in force which (a) (including continuous and fixed term contracts) had been entered into or amended during the Relevant Period; (b) were continuous contracts with a notice period of 12 months or more; or (c) were fixed term contracts with more than 12 months to run irrespective of the notice period; and (ii) none of the Directors had any existing or proposed service contract with any member of the Group which is not expiring or determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

## **6. DIRECTORS' INTEREST IN ASSETS**

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, none of the Directors had any direct or indirect interest in any assets which had been since 31 December 2024 (being the date to which the latest published audited financial statements of the Group were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

## **7. DIRECTORS' INTEREST IN CONTRACTS AND ARRANGEMENT**

As at the Latest Practicable Date, save for the Underwriting Agreement and the Irrevocable Undertaking, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group.

## **8. DIRECTORS' INTERESTS IN COMPETING BUSINESSES**

As at the Latest Practicable Date, none of the Directors, the controlling shareholders of the Company or their respective associates had any interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

**9. ADDITIONAL DISCLOSURE OF DEALINGS AND INTEREST IN THE SECURITIES OF THE COMPANY**

As at the Latest Practicable Date, Goodchamp, Dr. Lam and parties acting in concert with either of them:

- (i) did not hold, owned, had control or direction over any other voting rights, rights over Shares, any outstanding options, warrants, or any securities that are convertible into Shares or held any outstanding derivatives in respect of the securities of the Company, or held any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, save for the 35,305,770 Shares held by Goodchamp and save as disclosed in the section headed “Effect on the shareholding structure of the Company arising from the Rights Issue” in this circular;
- (ii) have not received any irrevocable commitment to vote for or against the Rights Issue, the Underwriting Agreement, and/or the Whitewash Waiver;
- (iii) had not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (iv) had not paid and will not pay other consideration, compensation or benefit in whatever form to the Company in connection with the Rights Issue and the Underwriting Agreement, save for the Rights Shares to be subscribed under the Irrevocable Undertaking and the Underwritten Shares to be underwritten by Goodchamp under the Underwriting Agreement;
- (v) did not have any arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, which might be material to the Rights Issue and/or the Underwriting Agreement, and/or the Whitewash Waiver, with any other persons, save for the Irrevocable Undertaking and the Underwriting Agreement;
- (vi) did not have any agreement or arrangement to which it is a party which relates to circumstances in which it may or may not invoke or seek a pre-condition or a condition to the Rights Issue, the Underwriting Agreement, and/or the Whitewash Waiver, save for the Rights Issue and the Underwriting Agreement being conditional upon obtaining of the Whitewash Waiver by Goodchamp as set out in the section headed “Conditions of the Underwriting Agreement” of this circular;
- (vii) had not acquired or entered into any agreement or arrangement to acquire any voting rights in the Company or had not dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period; and
- (viii) have not entered into any derivative in respect of the relevant securities in the Company which are outstanding.

As at the Latest Practicable Date:

- (i) save as disclosed in the above section headed “4. Disclosure of Interests” in this appendix, none of the Directors had any interest in the Shares, derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into the Shares as at the Latest Practicable Date, and none of the Directors had dealt for value in any Shares, options, derivatives, warrants or other securities convertible into the Shares or other types of equity interest in the Company during the Relevant Period;
- (ii) save for Dr. Lam, none of the Company nor any of the Directors was interested in any shares of Goodchamp or any convertible securities, warrants, options or derivatives in respect of any shares of Goodchamp as at the Latest Practicable Date, and no such person had dealt in the shares of Goodchamp or any convertible securities, warrants, options or derivatives in respect of any shares of Goodchamp during the Relevant Period;
- (iii) save for the Irrevocable Undertaking and the Underwriting Agreement, there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between Goodchamp, Dr. Lam or parties acting in concert with either of them on one hand, and the Company on the other hand;
- (iv) save for the Irrevocable Undertaking and the Underwriting Agreement, there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between any Shareholders on one hand; and (a) Goodchamp, Dr. Lam or parties acting in concert with either of them; or (b) the Company, its subsidiaries or associated companies on the other hand;
- (v) there was no agreement, arrangement or understanding (including any compensation arrangement) between Goodchamp, Dr. Lam and parties acting in concert with either of them and other persons in relation to the transfer, charge or pledge of the Shares that may be allotted and issued to Goodchamp, Dr. Lam and parties acting in concert with either of them under the Rights Issue or as a result of the obligations under the Underwriting Agreement;
- (vi) there was no arrangements referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, which might be material to the Rights Issue, the Underwriting Agreement and/or the Whitewash Waiver, with any other persons;

- (vii) save as disclosed in the paragraph headed “4. Disclosure of Interests” in this appendix, none of the Directors was interested in any Shares, convertible securities, warrants, options or derivatives of the Company or similar rights which are convertible or exchangeable into any Shares. In addition, none of the Directors had dealt for value in any Shares, convertible preference shares, convertible securities, warrants, options or derivatives of the Company during the Relevant Period;
- (viii) there was no benefit to be given to any Directors as compensation for loss of office in any member of the Group or otherwise in connection with the Rights Issue, the Underwriting Agreement and the Whitewash Waiver;
- (ix) there was no agreement, arrangement or understanding (including any compensation arrangement) between (i) Goodchamp and parties acting in concert with it (including Dr. Lam) and (ii) any of the Directors, recent Directors, Shareholders or recent Shareholders, having any connection with or dependence upon the Rights Issue, the Underwriting Agreement and/or the Whitewash Waiver;
- (x) save for the Irrevocable Undertaking and the Underwriting Agreement, there was no agreement or arrangement between any Director and any other person which was conditional on or dependent upon the Rights Issue, the Underwriting Agreement and/or the Whitewash Waiver or otherwise connected therewith;
- (xi) save for Irrevocable Undertaking and the Underwriting Agreement, there was no material contract entered into by Goodchamp and parties acting in concert with it (including Dr. Lam) in which any Director had a material personal interest;
- (xii) save for the Irrevocable Undertaking and the Underwriting Agreement, there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate under the Takeovers Code, and none of them had dealt for value in any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company during the Relevant Period;
- (xiii) no Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company were managed on a discretionary basis by fund managers connected with the Company and no such person had dealt for value in any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Existing Shares or securities of the Company during the Relevant Period; and
- (xiv) none of the Company or the Directors had borrowed or lent any Shares, convertible securities, warrants, options or derivatives in respect of any Shares.

**10. LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was involved in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

**11. EXPERTS AND CONSENTS**

The following sets out the qualifications of the experts who have given opinions, letters or advices included in this circular:

<b>Name</b>	<b>Qualifications</b>
INCUB Corporate Finance Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
RSM Hong Kong	Certified Public Accountants
Peak Vision Appraisals Limited	Independent property valuer

As at the Latest Practicable Date, each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letters or reports and the reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, none of the experts had any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, none of the experts had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2024, being the date to which the latest published audited accounts of the Company were made up.



## 12. MATERIAL CONTRACTS

The following material contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) were entered into by members of the Group after the date falling two years immediately preceding the date of the Announcement up to and including the Latest Practicable Date:

- (i) the Underwriting Agreement;
- (ii) the Placing Agreement;
- (iii) the placing agreement dated 3 October 2025 entered into between the Company and Kingston Securities Limited, the placing agent, in relation to the placing of up to 33,936,000 placing shares under general mandate at the placing price of HK\$0.112 per placing share to not less than six places who are professional, institutional, or other investors that are third parties independent of the Company and its connected persons on a best effort basis. The placing was completed on 27 October 2025;
- (iv) the non-legal binding memorandum of understanding dated 1 September 2025 entered into between 廣州合粵新能源科技有限公司 (Guangzhou Heyue New Energy Technology Co., Ltd.\*) (the “**Target Company**”) and Silver World International Limited, an indirect wholly-owned subsidiary of the Company in relation to the possible investment to acquire the entire equity interest in Target Company at not more than HK\$5,500,000; and
- (v) the placing agreement dated 25 November 2024 entered into between the Company and Kingston Securities Limited, the placing agent, in relation to the placing of up to 28,284,000 placing shares under general mandate at the placing price of HK\$0.153 per placing share to not less than six places who are professional, institutional, or other investors that are third parties independent of the Company and its connected persons on a best effort basis. The placing was completed on 13 December 2024.

Save as disclosed above, there was no material contract (not being entered into in the ordinary course of business) entered into by any member of the Group within the two years immediately preceding the date of this circular and up to the Latest Practicable Date.

## 13. EXPENSES

The expenses in connection with the proposed Rights Issue, the Underwriting Agreement and the Whitewash Waiver, including underwriting commission, financial advisory fees, printing, registration, translation, legal and accountancy charges are estimated to amount approximately HK\$2.69 million, which are payable by the Company.

## 14. CORPORATE INFORMATION

<b>Registered office</b>	Victoria Place 5th Floor, 31 Victoria Street Hamilton HM 10, Bermuda
<b>Principal place of business in Hong Kong</b>	Flat 18, 9/F. Block B, Focal Industrial Centre 21 Man Lok Street, Hunghom, Kowloon Hong Kong
<b>Authorised representatives</b>	Mr. Lee Kwok Leung Ms. Cheng Suk Fun  Flat 18, 9/F. Block B, Focal Industrial Centre 21 Man Lok Street, Hunghom, Kowloon Hong Kong
<b>Directors</b>	<i>Chairman and Non-executive Director</i> Dr. Lam Man Chan  <i>Executive Director</i> Mr. Lee Kwok Leung  <i>Independent Non-executive Directors</i> Dr. Ng Chi Yeung, Simon Mr. Tam Yuk Sang, Sammy Ms. Law So Fun  Flat 18, 9/F. Block B, Focal Industrial Centre 21 Man Lok Street, Hunghom, Kowloon Hong Kong
<b>Company secretary</b>	Ms. Cheng Suk Fun An associate member of both The Hong Kong Chartered Governance Institute in Hong Kong and The Chartered Governance Institute in England.  Flat 18, 9/F. Block B, Focal Industrial Centre 21 Man Lok Street, Hunghom, Kowloon Hong Kong
<b>Legal adviser to the Company as to Hong Kong law</b>	<b>Sidley Austin LLP</b> 39/F, Two Int'l Finance Centre Central, Hong Kong
<b>Legal adviser to the Company as to Bermuda law</b>	<b>Appleby</b> Suites 3504B-06, 35/F, Two Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
<b>Financial adviser to the Company</b>	<b>Kingston Corporate Finance Limited</b> 72/F., The Center 99 Queen's Road Central Central, Hong Kong

<b>Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders</b>	<b>INCU Corporate Finance Limited</b> Unit 1402, 14/F, Winsome House 73 Wyndham Street Central, Hong Kong
<b>Auditors and reporting accountants</b>	<b>RSM Hong Kong</b> <i>Certified Public Accountants</i> <i>Registered Public Interest Entity Auditor</i> 29th Floor, Lee Garden Two 28 Yun Ping Road, Causeway Bay Hong Kong
<b>Underwriter</b>	<b>Goodchamp Holdings Limited</b> Flat 32, 8/F., Block B Focal Industry Centre 21 Man Lok Street Hung Hom, Kowloon
<b>Placing Agent</b>	<b>Kingston Securities Limited</b> 72/F., The Center 99 Queen's Road Central Central, Hong Kong
<b>Principal share registrar and transfer agent in Bermuda</b>	<b>Ocorian Management (Bermuda) Limited</b> Victoria Place, 5th Floor 31 Victoria Street, Hamilton HM 10 Bermuda
<b>Branch share registrar and transfer office in Hong Kong</b>	<b>Tricor Investor Services Limited</b> 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
<b>Principal bankers</b>	<b>Chong Hing Bank Limited</b> Chong Hing Bank Centre 24 Des Voeux Road Central Hong Kong  <b>The Hongkong and Shanghai Banking Corporation Limited</b> HSBC Main Building 1 Queen's Road Central Hong Kong  <b>Chiyu Banking Corporation Limited</b> 4/F., 78 Des Voeux Road Central Hong Kong
<b>Custodian</b>	<b>Chong Hing Bank Limited</b> Chong Hing Bank Centre 24 Des Voeux Road Central Hong Kong

**15. DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY****Chairman and non-executive Director**

**Dr. Lam Man Chan (“Dr. Lam”)**, aged 76, joined the Company on 11 February 2014. He has over 30 years of management experience and in depth knowledge of the electronics industry. Dr. Lam has been awarded the Medal of Honour in July 2022 in recognition of his dedicated service to the Kwai Tsing District, especially in the area of crime prevention.

Dr. Lam was graduated from the World Electric Engineering College in 1969. Dr. Lam holds an honorary degree of Doctor of Science from Armstrong University in the United States. He is currently the chairman of Ngai Lik Group Limited (“**Ngai Lik**”). He is responsible for the formulation of corporate strategy and overall direction of Ngai Lik. Dr. Lam has invested in different industries, including securities broking, finance business, hotel development, motor cycle business and properties investment. He was granted the Young Industrialist Awards of Hong Kong in 1994 and the World Outstanding Chinese Award in 2005.

He was once a standing committee member of Qingyuan Region Committee of the Chinese People’s Political Consultative Conference (“**CPPCC**”) and a committee member of Guangdong Provincial Committee and Dongguan Regional Committee of CPPCC. Dr. Lam had been the chairman and executive director of Ngai Lik Industrial Holdings Limited (now known as Yuan Heng Gas Holdings Limited) (stock code: 332), a company publicly listed on the Stock Exchange, during the period from 1992 to 2010. Dr. Lam is the husband of Ms. Ting Lai Ling who is the Project and Administration General Manager of the Company.

**Executive Director**

**Mr. Lee Kwok Leung (“Mr. Lee”)**, aged 71, joined the Company on 8 May 2014, Mr. Lee is a member of Nomination Committee. He is a licensed person to carry out type 9 (asset management) and Type 4 (Advising on securities) regulated activities under the SFO since 2003 and 2018 respectively. He has over 15 years of relevant experience by serving as one of the responsible officers of Silverstone Investments Limited (“**Silverstone**”) for Type 9 (asset management) for the period from 2003 to December 2020 and licensed representative for Type 4 (advising on securities) regulated activity under SFO for the period from 2018 to December 2020. Silverstone has been the investment manager of the Company for the period from 2015 to December 2020 providing investment advisory services to and managing investment portfolios for professional/institutional investors mainly in Greater China and Hong Kong to the Company.

Mr. Lee is currently the responsible officer of Success Advance Investments Limited (“**Success Advance**”) for Type 9 (asset management) and the licensed representative for Type 4 (advising on securities) regulated activity under SFO. Success Advance is the investment manager of the Company since 25 January 2021 which carries out Type 9 (asset management) and Type 4 (advising on securities) regulated activity under SFO providing investment advisory services to and managing investment portfolios for professional/institutional investors mainly in Greater China and Hong Kong to the Company.

Mr. Lee has strong experience in portfolio construction, portfolio management, risk assessment and investment due diligence. Furthermore, Mr. Lee had been the Managing Director of BOCI Direct Management Limited from 1992 to 1999. In this private equity fund, he was responsible for the overall management of the fund.

Mr. Lee is currently an independent non-executive director of EV Dynamics (Holdings) Limited (stock code: 476), a company listed on the Stock Exchange.

Mr. Lee was the chairman and executive director of Mayer Holdings Limited (Stock code: 1116), a company listed on the Stock Exchange for the period from 9 October 2014 to 12 June 2024.

Mr. Lee was an independent non-executive director of Imperial Pacific International Holdings Limited (stock code: 1076), a company listed on Stock Exchange, for the period from November 2013 to August 2022.

For the period from 1 June 2020 to 27 August 2021, Mr. Lee was an independent non-executive director of Guoan International Limited (delisted in November 2022 from the Stock Exchange/old stock code: 143).

#### **Independent non-executive Directors**

**Dr. Ng Chi Yeung Simon (“Dr. Ng”)**, aged 68, joined the Company on 26 November 2013. He is also the Chairman of Nomination Committee and a member of Audit Committee and Remuneration Committee of the Company.

Dr. Ng is a solicitor in Hong Kong (non-practising). He was a consultant of Rowland Chow, Chan & Company, a law firm in Hong Kong, for the period from 2003 to 31 December 2020.

Dr. Ng holds a bachelor’s of laws degree from the Manchester Metropolitan University in the United Kingdom in 1986, a master degree in Chinese and Comparative Law from the City University of Hong Kong in 1997 and a doctoral degree in worship studies from the Robert Webber Institute for Worship Studies in June 2013.

Dr. Ng is currently an independent non-executive director of Winfair Investment Company Limited (stock code: 287), a company listed on the Stock Exchange.

Dr. Ng was a Part-time Lecturer of the Department of Professional Legal Education of The University of Hong Kong for the period from September 2013 to December 2020.

Dr. Ng was an independent non-executive director of a company listed on the Stock Exchange, namely, Century Sage Scientific Holdings Limited (now known as Be Friends Holding Limited) (stock code: 1450) for the period from 13 June 2014 to 29 September 2021.

**Mr. Tam Yuk Sang Sammy (“Mr. Tam”)**, aged 62, joined the Company on 31 December 2013. He is also the Chairman of Audit Committee and Remuneration Committee and a member of Nomination Committee of the Company. Mr. Tam graduated from the Hong Kong Polytechnic University in Accountancy, and holds a Master of Science degree in Professional Accountancy from University of London. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Tam possesses good accounting and financial experiences and qualification, and expertise in risk management and sustainability.

Mr. Tam is currently the director of Essentack Limited, a corporate strategy and management advisory company. Mr. Tam was an independent non-executive director of Huajin International Holdings Limited (stock code: 2738), a company listed on the Stock Exchange, for the period from 23 March 2016 to 17 March 2023.

**Ms. Law So Fun (“Ms. Law”)**, aged 57, joined the Company on 28 December 2023. She is a member of each of Audit Committee, Nomination Committee and Remuneration Committee of the Company. Ms. Law holds Bachelor degree of Business (Management) – Specialization in Human Resource Management of Royal Melbourne Institute of Technology in Australia in 2011. Ms. Law also holds a Diploma in Management Studies (with distinction) of Lingnan University awarded jointly by The Hong Kong Management Association in 2009. During the past 20 years, Ms. Law has once been the Administration & Executive Supervisor of Yong Zheng CPA Limited (formerly known as Chu and Chu, CPA). Ms. Law possesses solid secretarial and administration works experiences and qualification, such as human resources and office administration.

## 16. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board (the “**Audit Committee**”) comprises all of the independent non-executive Directors, namely, Mr. Tam Yuk Sang, Sammy, Dr. Ng Chi Yeung, Simon and Ms. Law So Fun. The Audit Committee is chaired by Mr. Tam Yuk Sang, Sammy. The primary duties of the Audit Committee are mainly to make recommendations to the Board on the appointment and removal of external auditor; review the financial statements and material advice in respect of financial reporting; and oversee internal control procedures of the Company.

## 17. MISCELLANEOUS

- (i) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (ii) This circular and the form of proxy are in both English and Chinese. In the event of inconsistency, the English texts shall prevail over the Chinese texts.
- (iii) The correspondence address of Dr. Lam is Flat 32, 8/F., Block B, Focal Ind. Centre, 21 Man Lok Street, Hunghom, Kowloon, Hong Kong.

**18. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published on the websites of the Company (<http://www.irasia.com/listco/hk/810>) and (<http://www.hk0810.com.hk>), the Stock Exchange (<http://www.hkexnews.hk>) and the SFC (<http://www.sfc.hk>) from the date of this circular for at least 14 days and including the date of the SGM:

- (i) the memorandum of association and bye-laws of the Company;
- (ii) the memorandum and articles of association of the Underwriter;
- (iii) the annual reports of the Company for each of the financial years ended 31 December 2022, 2023 and 2024;
- (iv) the interim report of the Company for the six months ended 30 June 2025;
- (v) the letter from the Board, the text of which is set out on pages 12 to 48 of this circular;
- (vi) the letter from the Independent Board Committee, the text of which is set out on pages 49 to 50 of this circular;
- (vii) the letter from the Independent Financial Adviser, the text of which is set out on pages 51 to 83 of this circular;
- (viii) the letter from RSM Hong Kong on the unaudited pro forma financial information of the Group, the text of which is set out on pages II-1 to II-5 of this circular;
- (ix) the report from Peak Vision Appraisals Limited on the property valuation, the text of which is set out on pages III-1 to III-7 of this circular;
- (x) the written consents of the experts as referred to in the section headed “Experts and Consents” in this appendix;
- (xi) the material contracts referred to in the section headed “Material Contracts” in this appendix;
- (xii) the Irrevocable Undertaking; and
- (xiii) this circular.

*This appendix serves as an additional disclosure requirement pursuant to Rule 21.09 of Listing Rules in connection with the listing document of investment company. This appendix includes particulars given in compliance with the Listing Rules for the purpose of giving information to the public with regard to the Company. The Directors and the sole director of the Investment Manager collectively and individually accept full responsibility for the accuracy of the information contained in this appendix and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.*

## INFORMATION ON THE INVESTMENT MANAGER

### (a) The information of the Investment Manager

The Investment Manager, namely Success Advance Investments Limited (“**Success Advance**”), is a company incorporated in Hong Kong with limited liability and a corporation licensed to carry on Type 9 (Asset Management) and Type 4 (Advising on Securities) regulated activities under the SFO. The address of the Investment Manager is 13/F, 1 Des Voeux Road West Building, 1 Des Voeux Road West, Sheung Wan, Hong Kong.

### (b) The full names and addresses of the sole director of the Investment Manager

Name	Address
Mr. Io San Keng	13/F, 1 Des Voeux Road West Building 1 Des Voeux Road West Sheung Wan, Hong Kong

### (c) Profiles of the sole director of the Investment Manager

#### *Mr. Io San Keng (“Mr. Io”)*

Mr. Io is responsible for identifying and establishing strategic goals and objectives for the development of Success Advance. He is also responsible for strategic planning and monitoring of execution of the strategic plan for Success Advance. Mr. Io graduated from Simon Fraser University, Canada with a Bachelor of Art degree in Economics in 2004.

### (d) Fees payable to the Investment Manager

Currently, the management fee is HKD32,500 per month. The maximum aggregate fee payable by the Company to the Investment Manager under the Investment Management Agreement is investment management fee of HK\$540,000 per annum and reimbursement for all out-of-pocket expenses properly incurred in the proper performance of Investment Manager’s duties under the Investment Management Agreement.



## INVESTMENT PORTFOLIO

The following are the details of all investment of the Group as at 30 June 2025. Save for the investments disclosed herein, there are no other listed investments and all other investments with a value of more than 5% of the Company's gross assets as at 30 June 2025.

Name of investment	Stock code	Interest held	Invested amount <i>HK\$'000</i>	Carrying amount <i>HK\$'000</i>	Dividend received <i>HK\$'000</i>	Dividend cover	Extraordinary items	Percentage of investment attributable to the Group's net assets	Remark
China Oriented International Holdings Limited ("China Oriented") (Note 1)	1871	9.63%	12,700	8,064	–	N/A	N/A	28.75%	
Xiaomi Corporation ("Xiaomi") (Note 2)	1810	0.0002%	1,195	3,597	–	N/A	N/A	12.83%	
Allegro Culture Limited ("Allegro Culture") (Note 3)	0550	3.49%	4,495	1,738	–	N/A	N/A	6.20%	Trading in the shares of Allegro Culture on the Stock Exchange has been suspended since 9:00 a.m. on Tuesday, 2 April 2024.
HSBC Holdings Plc ("HSBC") (Note 4)	0005	0.0001%	1,410	1,900	71	4.91%	N/A	6.77%	
Chow Tai Fook Jewellery Group Limited ("Chow Tai Fook") (Note 5)	1929	0.0014%	1,002	1,788	–	N/A	N/A	6.37%	
China Mobile Limited ("China Mobile") (Note 6)	0941	0.0001%	1,398	1,742	50	2.8%	N/A	6.21%	
China Life Insurance Company Limited ("China Life") (Note 7)	2628	0.0002%	467	942	–	N/A	N/A	3.36%	
Longfor Group Holdings Limited ("Longfor Group") (Note 8)	0960	0.0007%	544	463	12	1.67%	N/A	1.65%	

A brief description of the business and financial information of the above listed investee companies are as follows:

## Notes:

- China Oriented is an investment holding company primarily engaged in the provision of driving training services. Its main business is engaged in the provision of driving training services for preparation for the driving tests of large vehicles and small vehicles through two driving schools, namely Shun Da School and Tong Tai School.

For the financial year 2024, China Oriented's total revenue decreased from approximately Renminbi ("RMB") 39.9 million to RMB32.3 million, down by 19.0% on a year-over-year basis. Its gross profit decreased from approximately RMB8.6 million to RMB3.9 million for the financial year 2024. Net loss was approximately RMB8.4 million for the financial year 2024 (2023: RMB8.4 million). The net asset value as at 31 December 2024 was approximately RMB186.8 million (31 December 2023: RMB189.6 million).

2. Xiaomi was principally engaged in development and sales of smartphones, Internet of Things (IoT) and lifestyle products, provision of internet services and investments holding in the PRC and other countries or regions.

Xiaomi's revenue for the financial year 2024 rose approximately RMB94.9 billion (or approximately 35.0% on a year-on-year basis) to RMB365.9 billion. Its profit for the year was approximately RMB23.6 billion as compared to a profit of approximately RMB17.5 billion for the prior year. The net asset value of Xiaomi as at 31 December 2024 was approximately RMB189.2 billion (31 December 2023: RMB164.3 billion).

3. Allegro Culture is an investment holding company and the principal activities of its major subsidiaries are principally engaged in (i) provision of advertising services, (ii) sales of medical and health products, (iii) e-commerce (mainly in sales of household and personal care products), and (iv) IP development design service income.

Allegro Culture's revenue for the financial year 2024 decreased by approximately HK\$4.8 million (or approximately 13.2% on a year-on-year basis) to approximately HK\$31.5 million. Its loss for the year was approximately HK\$12.5 million as compared to a loss of approximately HK\$36.2 million for the prior year. The net asset value as at 31 December 2024 was approximately HK\$52.3 million (31 December 2023: HK\$114.3 million).

4. HSBC is a banking and financial services company. Its business segments include Hong Kong, UK, Corporate and Institutional Banking (CIB), and International Wealth and Premier Banking (IWPB). It providing retail, commercial, wealth, private banking and insurance services to individuals, companies and governments worldwide.

HSBC's net operating income for the financial year 2024 slightly decreased by approximately USD0.2 billion (or approximately 0.3% on a year-on-year basis) to USD65.9 billion. Its profit for the year was approximately USD25.0 billion as compared to a profit of approximately USD24.6 billion for the prior year. The net asset value of HSBC as at 31 December 2024 was approximately USD192.3 billion (31 December 2023: USD192.6 billion).

5. Chow Tai Fook is an investment holding company mainly engaged in the manufacture and sale of jewellery products. It is mainly engaged in the manufacture and sale of gem-set, platinum and k-gold jewellery and gold jewellery and products. The Company is also engaged in the distribution of various watch brands.

For the financial year ended 31 March 2025, Chow Tai Fook's revenue decreased by approximately HK\$19.1 billion to HK\$89.7 billion, down by 17.5% on a year-over-year basis. However, its gross profit increased from approximately HK\$26.0 billion to HK\$26.4 billion for the financial year 2025. Profit for the year was approximately HK\$6.0 billion for the financial year 2025 (2024: HK\$6.6 billion). The net asset value as at 31 March 2025 was approximately HK\$27.4 billion (31 March 2024: HK\$26.7 billion).

6. China Mobile is a company mainly engaged in the provision of communication and information services. Its businesses primarily consist of voice, data, broadband, dedicated lines, IDC, cloud computing, IoT and other services in customer market business, home market business, business market business and new market business.

For the year ended 31 December 2024, revenue of China Mobile was approximately RMB1,040.8 billion, decreased by approximately RMB31.5 billion (or decreased approximately 3.1% on a year-on-year basis). Its profit for the year was approximately RMB138.5 billion as compared to a profit of approximately RMB131.9 billion for the prior year. The net asset value of China Mobile as at 31 December 2024 was approximately RMB1,396.5 billion (31 December 2023: RMB1,346.0 billion).

7. China Life was established in the People's Republic of China on 30 June 2003 as a joint stock company with limited liability as part of a group restructuring of China Life Insurance (Group) Company and its subsidiaries. The principal activities of China Life and its subsidiaries are the underwriting of life, health, accident and other types of personal insurance business; reinsurance for personal insurance business; fund management business permitted by national laws and regulations or approved by the State Council of the People's Republic of China, etc.

For the year ended 31 December 2024, total revenue of China Life was approximately RMB528.6 billion, increased by approximately RMB183.9 billion (or increased approximately 53.3% on a year-on-year basis). Its net profit for the year was approximately RMB108.9 billion as compared to a profit of approximately RMB47.5 billion for the prior year. The net asset value of China Life as at 31 December 2024 was approximately RMB521.2 billion (31 December 2023: RMB487.0 billion).

8. Longfor Group is an investment holding company principally engaged in property development, commercial investment, asset management, property management and smart construction.

Longfor Group's revenue for the financial year 2024 fell approximately RMB53.2 billion (or approximately 29.4% on a year-on-year basis) to RMB127.5 billion. Its profit for the year was approximately RMB12.1 billion as compared to a profit of approximately RMB17.1 billion for the prior year. The net asset value of Longfor Group as at 31 December 2024 was approximately RMB245.5 billion (31 December 2023: RMB236.5 billion).

### Provision for diminution as at 30 June 2025

Name of investment	Stock code	Carrying amount		Provision made	Book value	Reason for provision
		Invested amount	before trading suspension			
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Allegro Culture Limited	0550	4,495	2,132	(394)	1,738	Trading in the shares of Allego Culture on the Stock Exchange has been suspended since 9:00 a.m. on Tuesday, 2 April 2024. Since the stock has been suspended for a long time and the Group made a provision of HK\$394,021 for the provision of fair value losses on Allego Culture.

### CUSTODIAN

Chong Hing Bank Limited, whose address is at Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong was appointed as the custodian in relation to the investments which the Company may from time to time deposit with the custodian. Pursuant to the custodian agreement effective from 19 November 2015, the Company will pay the custodian such reasonable fees, costs and expenses in respect of the custodian account as may from time to time be prescribed by the custodian. All fees, costs and expenses of the custodian shall accrue on a daily basis. The Company also agrees to pay all costs, taxes, expenses and fees (including any applicable fees of any clearing house) in connection with or arising out of the operation of the custodian account.

The Directors confirm that none of the directors of the Company, the Investment Manager, any investment adviser or any distribution company, or any associate of any of those persons, is or will become entitled to receive any part of any brokerage charged to the Company, or any re-allowance of other types on purchases charged to the Company.

### RISK FACTORS OF INVESTING IN THE COMPANY

The Company is an investment company with the primary objective of achieving capital appreciation as well as generating income from interests and dividends by investing in listed and unlisted companies in the PRC, Hong Kong and Macau (collectively, “**Greater China**”) and any other countries as the Board may direct from time to time. These investments will be subject to market fluctuations and the risks inherent in all investments.

Investors should also be aware that the Company's income and its net assets value may be adversely affected by external factors beyond the control of the Company. As a result, the Company's operating results and its net assets value may go down as well as up, subject to, among other factors, the prevailing market condition. Save as disclosed above, the Directors are of the view that investing in the Company is not subject to any abnormal risks.

## **INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS**

### **Objectives**

The Company is an investment company with the primary objective of achieving capital appreciation as well as generating income from interests and dividends by investing in listed and unlisted companies in the People's Republic of China (the "**PRC**"), Hong Kong and Macau (collectively, "**Greater China**"), United States, Asia-Pacific Region and any other appropriate countries/capital markets as the Board may direct from time to time. The Company also intends to invest in unlisted companies with the potential to seek a listing on the Stock Exchange or any overseas stock exchanges.

### **Policies**

The Group has adopted a diversified investment approach and has added the use of derivatives for the purposes of hedging the investment portfolio. Below are the key details of policies:

1. Investment will normally be made in the form of equity securities, equity related securities (including but not limited to convertible notes, preference shares, options, warrants and/or futures contracts) and/or debt securities in listed and unlisted companies in Greater China and other countries engaged in different industries including (but not limited to) manufacturing, bio-technology, services, telecommunication, technology, infrastructure, pharmaceuticals and property sectors, aiming at maintaining a balance in the Company's exposure to different industry sectors;
2. The Group may, where the Board considers appropriate, use or invest in derivatives for hedging purposes. In this connection, the Group may buy, write or sell warrants, covered warrants, options or traded options on its underlying investments. The Group may also short-sell shares, buy or sell futures contracts on stock indices or shares (if any) as a means to hedge against adverse price movements of its investments;
3. When considering and identifying potential investments, the Group will seek to identify entities with a record of positive profit growth, strong management, and high levels of technical expertise, and research and development capabilities as well as management commitment to long-term growth. At the same time, the Group is also flexible in considering investments in companies or other entities which are considered by the Board and the investment manager of the Company as being special or in recovery situations with return potential; and

4. As to the period of investment, the investments are usually intended to be held for capital appreciation. The actual holding period will depend on the return from investment and the potential of listing on the Stock Exchange or other internationally recognised stock exchanges. The Group will, however, realise investments where the Board believes the realisation would be in the best interests of the Group or where the terms on which such realisation can be made are considered by the Board as particularly favorable to the Group.

The investment policies may be amended by the Board from time to time without approval by the Shareholders, but subject to the investment restrictions as set forth below or as applicable to the Company from time to time.

### **Restrictions**

Under the Bye-laws and the Listing Rules relating to the listing of investment companies, certain restrictions on investments are imposed on the Company. The Board has resolved that the Company may not:

1. either itself or through its wholly-owned subsidiaries or in conjunction with any connected person take legal, or effective, management control of underlying investments and in no event will the Company itself or through its wholly-owned subsidiaries own or control more than 30% (or such other percentage as may from time to time be specified in the Hong Kong Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) of the voting rights in such company or other entity, except in relation to such wholly-owned subsidiaries of the Company;
2. invest in any company or entity other than wholly-owned subsidiaries of the Company if such investment will result in more than 20% of the net asset value of the Company (calculated in accordance with the provisions of the Bye-laws) being invested in such company or entity as at the date the investment is made;
3. without the prior approval of the Shareholders by ordinary resolution, buy or sell commodities, commodity contracts or precious metals, except that the Group may purchase and sell future contracts on stock indices and securities which are secured by commodities or precious metals; and
4. invest more than 30% of the Company's assets outside Greater China to the extent of contravening its primary objective of achieving capital appreciation by investing in listed and unlisted companies in Greater China.

The Company has to comply with investment restrictions 1 and 2 above at all times while it remains listed as an investment company under Chapter 21 of the Listing Rules. Investment restriction 3 can be changed subject to Shareholders' approval and investment restriction 4 can be changed without Shareholders' approval.

As at the Latest Practicable Date, the Board has no intention to change any of the above-mentioned investment restrictions.

As at the Latest Practicable Date, the Company has no present intention to invest in options, warrants, commodities, futures contracts or precious metals.

### **BORROWING POWER**

Pursuant to the provision of the Bye-laws, the Company may exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and uncalled capital or any part thereof.

### **DISTRIBUTION POLICY**

It is the Board's intention to provide stable returns to the Shareholders and to maintain a healthy financial position which allows the Company to take advantage of any investment opportunities that may arise from time to time. Subject to the applicable laws in Bermuda and the Company's Bye-laws, the Board may propose final dividends on an annual basis and/or may declare interim dividends or special dividends from time to time after considering the Company's and the Group's operating results, accumulated and future earnings, dividends received from the Group companies, gearing, liquidity position, capital commitment requirement and investment opportunities of the Group, the volatility expected in its future earnings, financial flexibility, tax considerations, flotation costs and contractual and legal restrictions. General economic conditions and relevant external factors will also be taken into account.

The dividend payout ratio may vary from year to year. There is no assurance that dividends will be paid in any particular amount for any given period. Subject to the applicable laws in Bermuda and the Company's bye-laws, dividends may be paid in cash or to be satisfied wholly or partly in the form of allotment of shares by the Company. The Board may also consider the issuance of bonus shares or distribution of specific assets of any kind, including debentures or warrants to subscribe securities of the Company or any other company, on a basis permitted by the applicable laws and regulations and in such manner as the Board thinks expedient.

The Board will regularly review the dividend policy and will amend and/or modify the dividend policy if necessary.

### **WORKING CAPITAL MANAGEMENT POLICY**

The Group's objectives when managing capital are to safeguard its ability to continue its operations in a stable manner in order to provide positive returns for Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce its cost of capital. The working capital management policies aim to manage the current assets – generally, cash and cash equivalents, and debtors – and the short term financing, such that cash flows and returns are satisfactory. In order to effectively manage cash flow, the Group maintains the sufficient cash levels which allow for the business to meet day to day expenses.

Ultimate responsibility for liquidity risk management rests with the Board which has built an appropriate liquidity risk management framework to meet the Group's funding and liquidity management requirements. As at the Latest Practicable Date, the Group has not encountered any significant liquidity risk. The Group manages liquidity risk by holding sufficient liquid assets (e.g. cash and short term funds and securities) of appropriate quality to ensure sufficient cash flows to meet all financial commitments and to capitalise on opportunities for business expansion.

As at the Latest Practicable Date, the Group has not pledged its leasehold land and building as security for any bank loan.

#### **FOREIGN EXCHANGE POLICY**

As at the Latest Practicable Date, the investment portfolio of the Company primarily comprised listed equities in Hong Kong stock market, and cash and bank balances comprised bank balances and cash held by the Group. Majority of them were denominated in HKD or USD, and the exposure to foreign currency was considered to be insignificant. Thus, as at the Latest Practicable Date, it is considered that the Group had no significant exposure to foreign exchange fluctuation and, to best knowledge, information and belief of the Directors, there have been no foreign exchange controls in relation to the investments of the Company.

#### **TAXATION**

The taxation of income and capital gains of the Company are subject to the fiscal law and practice of Hong Kong. Prospective investors should consult their own professional advisers on the tax implications of investing, holding or disposing of Shares under the laws of the jurisdiction in which they are liable to taxation.

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## NOTICE OF SGM

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*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.*

### China Castson 81 Finance Company Limited

### 中國鑄晨81金融有限公司

*(Continued into Bermuda with limited liability)*

**(Stock Code: 810)**

### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the special general meeting (the “**SGM**”) of China Castson 81 Finance Company Limited (the “**Company**”) will be convened and held at Flat 18, 9/F., Block B, Focal Industrial Centre, 21 Man Lok Street, Hunghom, Kowloon, Hong Kong at 11:00 a.m. on Monday, 2 March 2026 to consider and, if thought fit, pass the following resolutions of the Company:

#### ORDINARY RESOLUTION

**“THAT:**

- (i) subject to and conditional upon the fulfillment of all the conditions as set out in the section headed “Letter from the Board – Proposed Rights Issue – Conditions of the Rights Issue” in the circular of the Company dated 27 January 2026 (the “**Circular**”), the allotment and issue by the Company by way of rights (the “**Rights Issue**”) of up to 509,107,967 shares (the “**Rights Share(s)**”) of the par value HK\$0.01 each in the capital of the Company at the subscription price of HK\$0.102 per Rights Shares to the qualifying shareholder (the “**Qualifying Shareholders**”) of the Company whose names appear in the register of members of the Company on Thursday, 12 March 2026 (the “**Record Date**”) (other than those shareholders (the “**Excluded Shareholders**”) with registered addresses outside Hong Kong whom the directors of the Company (the “**Directors**”), after making relevant enquiry, consider their exclusion from the Rights Issue to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place) in the proportion of five (5) Rights Shares for every two (2) Shares of the Company held on the Record Date, be and are hereby approved, confirmed and ratified;
- (ii) subject to and conditional upon the fulfillment of all the conditions as set out in the section headed “Letter from the Board – The Underwriting Agreement – Conditions of the Underwriting Agreement” in the Circular, the entering into of the underwriting agreement dated 19 December 2025 (the “**Underwriting Agreement**”) (copy of which, signed by the chairman of the SGM for the purposes of identification, has been produced to the SGM marked “A”) entered into between the Company and Goodchamp Holdings Limited (the “**Underwriter**”) in relation to the Rights Issue and the transactions contemplated thereunder (including but not limited to the arrangements for taking up of the Rights Shares to be underwritten by the Underwriter of up to 381,000,000 Rights Shares, if any, by the Underwriter), be and are hereby approved, confirmed and ratified;



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## NOTICE OF SGM

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- (iii) any one Director be and is hereby authorised to allot and issue the Rights Shares pursuant to and in connection with the Rights Issue notwithstanding the same may be offered, allotted or issued otherwise than pro rata to the Qualifying Shareholders and, in particular, the Directors may make such exclusions or other arrangements in relation to the Excluded Shareholders as they may deem necessary, desirable or expedient to having regard to any restrictions or obligations under the bye-laws of the Company or the laws of, or the rules and regulations of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong; and
- (iv) any one Director be and is hereby authorised on behalf of the Company to execute all such documents (and where under common seal, any one Director and the Secretary or any two Directors) and do all such acts and things as he/they may consider necessary, desirable or expedient to implement and/or to give effect to the Rights Issue, the Underwriting Agreement and any matter relating or incidental thereto.”

### SPECIAL RESOLUTION

**“THAT:**

- (i) subject to the passing of resolutions number 1 and 2 above and granting of the Whitewash Waiver (as defined below) by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any of his delegate(s) and any conditions that may be imposed thereon, the wavier pursuant to Note 1 on the Dispensations from Rule 26 of The Hong Kong Code on Takeovers and Mergers (the “**Whitewash Wavier**”) of the obligation on the part of the Underwriter to make a mandatory general offer for all the issued Shares not already owned by the Underwriter, Dr. Lam and the parties acting in concert with either of them as a result of the underwriting of the Rights Shares by the Underwriter pursuant to the Underwriting Agreement be and is hereby approved, and
- (ii) any one Director be and is hereby authorised on behalf of the Company to execute all such documents (and where under common seal, any one Director and the Secretary or any two Directors) and do all such acts and things as he/they may consider necessary, desirable or expedient to implement and/or to give effect to the Whitewash Waiver and any matter relating or incidental thereto.”

By order of the Board  
**China Castson 81 Finance Company Limited**  
**Lee Kwok Leung**  
*Director*

Hong Kong, 27 January 2026

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## NOTICE OF SGM

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*Notes:*

1. Shareholders are recommended to read the Circular which contains important information concerning the resolutions proposed at the SGM being convened by this notice. Unless the context requires otherwise, capitalised terms used in this notice shall have the same meaning given to them in the Circular, of which this notice forms part.
2. In order to be valid, the proxy form, accompanied by the power of attorney (if applicable) or other authority (if any) under which it is signed or a notarially copy of that power or authority, must be deposited 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 as soon as practicable but in any event no later than 48 hours before the time appointed for holding of the SGM or any adjournment thereof. Completion and return of the proxy form will not preclude a Shareholder from attending and voting in person at the SGM or at any adjournment thereof (as the case may be) if he/she so wishes.
3. The register of members of the Company will be closed from Tuesday, 24 February 2026 to Monday, 2 March 2026 (both days inclusive) during which period no transfer of Shares will be registered. The record date for the SGM will be Monday, 2 March 2026. In order to ascertain the entitlements to attend and vote at the SGM, all relevant transfer document(s) and share certificate(s) 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 Monday, 23 February 2026.
4. Where there are joint registered holders of any share, any one of such persons may vote at the SGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
5. The voting on the proposed resolutions as set out in this notice will be taken by poll at the SGM.
6. If at any time after 7:00 a.m. on the date of the SGM, Typhoon Signal Number 8 or above or a Black Rainstorm Warning or Extreme Conditions is hoisted or remains hoisted in Hong Kong, the SGM will be postponed or adjourned. The Company will post an announcement on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<http://www.irasia.com/listco/hk/810>) and (<http://www.hk0810.com.hk>) to notify Shareholders of the date, time and place of the rescheduled meeting.
7. In the case of any discrepancy, the English version of this notice shall prevail over the Chinese version.
8. References to time and dates in this notice are to Hong Kong time and dates.