THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Hao Bai International (Cayman) Limited you should at once hand this circular, and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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This circular is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.

HAO BAI INTERNATIONAL (CAYMAN) LIMITED
浩柏國際（開曼）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8431)

PROPOSED RIGHTS ISSUE ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Financial adviser to the Company

uSMART Securities
盈立證券

Placing Agent

CheonG Lee
昌利證券

Independent Financial Adviser to the Independent Board Committee and Independent Shareholders

德林證券
DL SECURITIES

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 11 to 33 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 34 of this circular. A letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 35 to 61 of this circular.

It should be noted that the Shares will be dealt in on an ex-entitlement basis from Monday, 22 December 2025. Dealings in the Rights Shares in nil-paid form are expected to take place from Wednesday, 7 January 2026 to Wednesday, 14 January 2026 (both days inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Wednesday, 7 January 2026 to Wednesday, 14 January 2026 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its own professional advisers.

A notice convening the EGM to be held at Room 210, 2nd Floor, Yick Tai Industrial Building, 650–652 Castle Peak Road, Lai Chi Kok, Kowloon, Hong Kong on Thursday, 18 December 2025 at 2:30 p.m. is set out in the Notice of EGM in this circular. A form of proxy for use by the Shareholders at the EGM is enclosed with this circular. Whether or not you are to attend the EGM in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the 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 not later than 2:30 p.m. on Tuesday, 16 December 2025. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares and is subject to the fulfilment of conditions. Please refer to the section headed "Letter from the Board – Conditions of the Rights Issue" in this circular. In the event that the Rights Issue is not fully subscribed, any Unsubscribed Rights Shares together with the ES Unsold Rights Shares will be placed to independent placees on a best effort basis under the Placing. Any Unsubscribed Rights Shares or ES Unsold Rights Shares which are not placed under the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares up to the date when all the conditions to which the Rights Issue is subject are fulfilled.

28 November 2025

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

"2024/25 Annual Report"	the annual report of the Company for the year ended 31 March 2025 published on 30 July 2025
"Announcements"	the announcements of the Company dated 9 October 2025, 31 October 2025 and 11 November 2025 in relation to the Rights Issue and the Placing
"associate(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Board"	the board of Directors
"Business Day"	a day (other than a Saturday, a Sunday, a public holiday and a day on which a tropical cyclone warning No. 8 or above or a "black rainstorm warning signal" is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks are open for general banking business in Hong Kong throughout their normal business hours
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Companies Registry"	Companies Registry of Hong Kong
"Companies (WUMP) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
"Company"	Hao Bai International (Cayman) Limited (浩柏國際(開曼)有限公司) (Stock Code: 8431), an exempted company incorporated in the Cayman Islands with limited liability on 23 November 2015, the issued Shares of which are listed on GEM
"Compensatory Arrangements"	the compensatory arrangements pursuant to Rule 10.31(1)(b) of the GEM Listing Rules as described in the section headed "Procedures in respect of the Unsubscribed Rights Shares and ES Unsold Rights Shares and the Compensatory Arrangements" in this circular

"connected person(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Director(s)"	the director(s) of the Company
"EGM"	an extraordinary general meeting of the Company to be convened to consider and, if thought fit, to approve, among other things, the Rights Issue and the transactions contemplated thereunder
"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 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
"GEM Listing Committee"	has the same meaning ascribed to it under the GEM Listing Rules
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	the Hong Kong Special Administration Region of the PRC
"Independent Board Committee"	the independent committee of the Board comprising all the independent non-executive Directors namely Mr. Yuen Wai Keung, Mr. Cheung Hiu Fung and Mr. Yiu Chi Wai, which has been established to advise the Independent Shareholders in respect of the Rights Issue

"Independent Financial Adviser"	DL Securities (HK) Limited, a licenced corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue
"Independent Shareholders"	Shareholders other than (i) all executive Directors and their respective associates (as defined under the GEM Listing Rules); (ii) those who are involved in or interested in the Rights Issue; and (iii) those who are required under the GEM Listing Rules to abstain from voting at the EGM
"Independent Third Parties"	third parties independent of, and not connected with, the Company and its connected persons
"Last Trading Day"	9 October 2025, being the last trading day for the Shares immediately prior to the date of the Announcement
"Latest Practicable Date"	25 November 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Latest Time for Acceptance"	4:00 p.m. on Monday, 19 January 2026 (or such other time and date as may be determined by the Company), being the latest time for the application of, and payment for, the Rights Shares
"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 renouncees, 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)

"Optionholder's Undertaking(s)"	the undertaking(s) by the holders of the Share Options, whereby each of the relevant holders of the Share Option irrevocably undertakes, represents and warrants to the Company that he/she/it will not exercise such Share Options held by him/her/it for the period from the date of such undertaking up to and including the close of business of the Record Date
"Overseas Shareholder(s)"	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"	the provisional allotment letter(s) 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 on a best effort basis by the Placing Agent and/or its sub-placing agent(s) to independent placee(s), who and whose ultimate beneficial owners shall be Independent Third Party(ies), during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement
"Placing Agent"	Cheong Lee Securities Limited, a licensed corporation by the SFC to carry out and conduct type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under and pursuant to the SFO
"Placing Agreement"	the placing agreement dated 9 October 2025 entered into between the Company and the Placing Agent in respect of the Placing
"Placing End Date"	6:00 p.m. on Friday, 30 January 2026 or such other time and/or date as the Company and the Placing Agent may agree
"Placing Long Stop Date"	4:10 p.m. on Monday, 2 February 2026 or such later date as the Company may announce
"Placing Period"	the period commencing from Friday, 23 January 2026 and ending at 6:00 p.m. on Friday, 30 January 2026

"PRC"	the People's Republic of China, which for the purpose of this circular excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Prospectus"	the prospectus to be issued by the Company in relation to the Rights Issue
"Prospectus Documents"	the Prospectus and the PAL(s)
"Prospectus Posting Date"	Monday, 5 January 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
"Qualifying Shareholder(s)"	Shareholder(s), whose name(s) appear on the register of members of the Company on the Record Date, other than the Excluded Shareholders
"Record Date"	Friday, 2 January 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
"Rights Issue"	the proposed offer for subscription of the Rights Shares at the Subscription Price on the basis of four (4) Rights Shares for every one (1) Share held by the Shareholders on the Record Date and subject to the conditions set out in the section headed "Letter from the Board – Conditions of the Rights Issue" in this circular
"Rights Share(s)"	up to 181,972,000 Shares (assuming no change in the number of Shares in issue on or before the Record Date) to be allotted and issued pursuant to the Rights Issue
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of par value of HK$0.01 each in the share capital of the Company

"Share Option(s)"	share option(s) granted or to be granted under the Share Option Scheme to subscribe for Shares in accordance with the terms thereof
"Share Option Scheme"	the share option scheme adopted by the Company on 12 May 2017
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	HK$0.21 per Rights Share
"substantial Shareholder(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers (as amended and supplemented from time to time)
"Unsubscribed Rights Shares"	the Rights Shares that are not subscribed by the Qualifying Shareholders or holders of nil-paid rights
"%"	per cent

The expected timetable for the proposed the Rights Issue and the Placing and the associated trading arrangement is set out below. The expected timetable is subject to the results of the EGM and satisfaction of the conditions and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this circular refer to Hong Kong local times and dates.

Event	**Time and Date**
Latest date and time for lodging transfer documents in order for the transferees to qualify for attending and voting at EGM	4:30 p.m. on Thursday, 11 December 2025
Closure of register of members for determining the entitlement to attend and vote at the EGM (both dates inclusive)	Friday, 12 December 2025 to Thursday, 18 December 2025
Latest date and time for lodging the proxy form for the EGM	2:30 p.m. on Tuesday, 16 December 2025
Record date for determining entitlements to attend and vote at the EGM	Thursday, 18 December 2025
Expected date and time of the EGM to approve the Rights Issue	2:30 p.m. on Thursday, 18 December 2025
Publication of announcement of poll results of the EGM	Thursday, 18 December 2025
Re-opening of the register of members of the Company	Friday, 19 December 2025

The following events are conditional upon the results of the EGM and therefore the dates are tentative only.

Event	Time and Date
Last day of dealings in the Shares on a cum-rights basis	Friday, 19 December 2025
First day of dealings in the Shares on an ex-rights basis relating to the Rights Issue	Monday, 22 December 2025
Latest date and time for lodging transfer documents of the Shares in order for the transferees to qualify for the Rights Issue	4:30 p.m. on Tuesday, 23 December 2025
Closure of register of members to determine the entitlements to the Rights Issue (both dates inclusive)	Wednesday, 24 December 2025 to Friday, 2 January 2026
Record Date for determining entitlements for the Rights Issue	Friday, 2 January 2026
Re-opening of the register of members of the Company	Monday, 5 January 2026
Expected date of despatch of Prospectus Documents to the Qualifying Shareholders (in the case of the Excluded Shareholders, the Prospectus only)	Monday, 5 January 2026
First day of dealings in nil-paid Rights Shares	Wednesday, 7 January 2025
Latest time for splitting the PALs	4:30 p.m. on Friday, 9 January 2026
Last day of dealings in nil-paid Rights Shares	Wednesday, 14 January 2026
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Monday, 19 January 2026
Announcement of the number of the Unsubscribed Rights Shares and ES Unsold Rights Shares subject to the Placing	Thursday, 22 January 2026

Event	Time and Date
Commencement of the Placing Period (if there are any Unsubscribed Rights Shares and ES Unsold Rights Shares available)	Friday, 23 January 2026
Latest time for placing of Unsubscribed Rights Shares and ES Unsold Rights Shares (if any)	6:00 p.m. on Friday, 30 January 2026
Latest time for the Rights Issue and the Placing to become unconditional	4:10 p.m. on Monday, 2 February 2026
Rights Issue settlement date and Placing completion date	Thursday, 5 February 2026
Announcement of the results of the Rights Issue (including the results of the Placing and the Net Gain)	Friday, 6 February 2026
Despatch of share certificates of fully-paid Rights Shares or refund cheques, if any (if the Rights Issue is terminated)	Monday, 9 February 2026
First day of dealings in fully-paid Rights Shares commence	Tuesday, 10 February 2026
Payment of Net Gain to relevant No Action Shareholders (if any) or Excluded Shareholders (if any)	Monday, 16 February 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 Monday, 19 January 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 Monday, 19 January 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 Monday, 19 January 2026, the dates mentioned in the expected timetable may be affected. The Company will notify Shareholders by way of announcement on any change to the expected timetable as soon as practicable.

HAO BAI INTERNATIONAL (CAYMAN) LIMITED
浩柏國際（開曼）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8431)

Executive Directors:
Mr. Liu Mingqing
Mr. Ng Wan Lok
Ms. Wong Wing Hung
Mr. Jiang Bin

Independent Non-executive Directors:
Mr. Yuen Wai Keung
Mr. Cheung Hiu Fung
Mr. Yiu Chi Wai

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

Head Office and Principal Place of Business in Hong Kong:
Room 210, 2nd Floor
Yick Tai Industrial Building
650–652 Castle Peak Road
Lai Chi Kok, Kowloon
Hong Kong

28 November 2025

To the Shareholders:

Dear Sir or Madam,

PROPOSED RIGHTS ISSUE ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the Announcement. The purpose of this circular is to provide you with, among other things, (i) further information regarding the Rights Issue and the transactions contemplated thereunder; (ii) a letter of recommendations from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue; (iv) other information required under the GEM Listing Rules; and (v) the notice of the EGM.

PROPOSED RIGHTS ISSUE

The Company proposes to conduct the Rights Issue on the basis of four (4) Rights Shares for every one (1) existing Share held on the Record Date at the Subscription Price of HK$0.21 per Rights Share, to raise up to HK$38.21 million before expenses by way of issuing up to 181,972,000 Rights Shares (assuming no change in the number of issued Shares on or before the Record Date). Set out below are the details of the Rights Issue statistics:

Rights Issue Statistics

Basis of the Rights Issue	:	Four (4) Rights Shares for every one (1) existing Share held at the close of business on the Record Date
Subscription Price	:	HK$0.21 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	45,493,000 Shares
Number of Rights Shares	:	Up to 181,972,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date). 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 181,972,000 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) 400% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) 80% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.
Aggregated nominal value of the Rights Shares	:	Up to HK$1,819,720 (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	:	Up to 227,465,000 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	:	Up to approximately HK$38.21 million
Net proceeds from the Rights Issue	:	Up to approximately HK$36.94 million
Net price per Rights Shares (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	Approximately HK$0.203 per Rights Share (assuming full subscription under the Rights Issue and no change in the number of Shares).
Rights of excess application and underwriter	:	There will be no excess application arrangements in relation to the Rights Issue and the Rights Issue is not underwritten.
Compensatory Arrangements	:	Any Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements. Any of the Rights Shares which remain unsold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

The Optionholders' Undertakings

As at the Latest Practicable Date, there are 611,538 outstanding Share Options granted under the Share Option Scheme entitling the holders thereof to subscribe for a total of 611,538 Shares under the Share Option Scheme. On 9 October 2025, each of the holders of the Share Options executed the Optionholders' Undertakings pursuant to which each of the holders of the Share Options has irrevocably undertaken in favour of the Company not to exercise the Share Options (or any part thereof) granted to him/her from the date of the Optionholders' Undertakings up to and including the close of business of the Record Date.

Save for the Optionholders' Undertakings, the Company has not received any information or irrevocable undertaking from any Shareholder of their intention to take up the Rights Shares to be provisionally allotted to them under the Rights Issue as at the Latest Practicable Date.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully-subscribed, any Unsubscribed Rights Shares and ES Unsold Rights Shares will be

placed to independent placees on a best effort basis by the Placing Agent under the Compensatory Arrangements. Any Unsubscribed Rights Shares and ES Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue. As the Rights Issue will proceed on a non-underwritten basis, any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken- up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/ its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 10.26(2) of the GEM Listing Rules. As at the Latest Practicable Date, the Board has not received any information or undertaking from any substantial shareholders of their intention in relation to the Rights Shares to be allotted to them under the Rights Issue.

Subscription Price

The Subscription Price is HK$0.21 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 40% to the closing price of HK$0.350 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 19.23% to the closing price of HK$0.26 per Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 27.08% to the average of the closing prices of HK$0.288 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 26.31% to the average of the closing prices of approximately HK$0.285 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 4.55% to the theoretical ex-rights price of approximately HK$0.22 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK$0.26 per Share as quoted on the Stock Exchange on the Last Trading Day;

(vi) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 23.24% 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$0.227 per Share and the benchmarked price of HK$0.296 per Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK$0.26 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$0.296 per Share); and

(vii) a premium of approximately 59.09% over the consolidated net asset value per Share of approximately HK$0.132 (based on the latest published consolidated net asset value of the Company of HK$5,987,000 as at 31 March 2025 and 45,493,000 Shares in issue as at the Latest Practicable Date).

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

Qualifying Shareholders

The Company will make available the Prospectus Documents to the Qualifying Shareholders only. For the Excluded Shareholders, subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company may make available 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 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 p.m. on Tuesday, 23 December 2025.

The last day of dealing in the Shares on cum-rights basis is Friday, 19 December 2025. The Shares will be dealt with on an ex-rights basis from Monday, 22 December 2025.

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. The Company will send the Prospectus (without the PAL) to the Excluded Shareholders for their information only. For the avoidance of doubt, the Overseas Shareholders, if any, are entitled to attend and vote at the EGM.

The Company notes the requirements specified in the notes to Rule 17.41(1) of the GEM 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.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholder(s) to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of more than HK$100 will be paid pro rata to the Excluded Shareholder(s). The Company will retain individual amounts of HK$100 or less for the benefit of the Company.

Based on the register of members of the Company as at the Latest Practicable Date, there were 2 Overseas Shareholder with registered address situated in the PRC who are interested in 1,050,000 Shares in aggregate, representing approximately 2.31% of the total issued share capital of the Company. In the meantime, the Company is seeking legal advice in respect of extending the issue of the Rights Shares to the Overseas Shareholders and the results of the enquiries and the basis of exclusion of the Overseas Shareholders, if any, from the Rights Issue will be included in the Prospectus.

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 GEM Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

Basis of provisional allotment

The basis of the provisional allotment shall be four (4) Rights Shares for every one (1) Share in issue and held 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. There will be no excess application arrangements in relation to the Rights Issue.

No fractional entitlements to the Rights Shares

On the basis of provisional allotment of four (4) Rights Shares for every one (1) Share held on the Record Date, no fractional entitlements to the Rights Shares shall arise under the Rights Issue. No odd lot matching services in relation to the Rights Issue will be provided.

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.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Monday, 9 February 2026. If the Rights Issue does not become unconditional, refund cheques are expected to be posted on or before Monday, 9 February 2026 by ordinary post, at the respective Shareholders' own risk, to their registered addresses.

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

According to Rule 10.31(1)(b) of the GEM Listing Rules, the Company will make arrangements to dispose of the Unsubscribed Rights Shares and ES Unsold Rights Shares by offering the Unsubscribed Rights Shares and ES Unsold Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. Accordingly, on 9 October 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 to the independent placees on a best effort basis.

Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and ES Unsold Rights Shares during the Placing Period to 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 6:00 p.m. on Friday, 30 January 2026 (or such later date as the Company may announce), subscribers for all (or as many as possible) of those Unsubscribed Rights Shares and ES Unsold Rights Shares. Any Unsubscribed Rights Shares and ES Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

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:

Date	:	9 October 2025 (after trading hours of the Stock Exchange)
Issuer	:	The Company
Placing Agent	:	Cheong Lee Securities Limited To the best of the Company's knowledge, information and belief, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.
Placing Period	:	The period commencing from Friday, 23 January 2026 and ending at 6:00 p.m. on Friday, 30 January 2026 or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Placing.
Commission	:	Subject to completion of the Placing taking place, the Company shall pay a placing commission of 1.5% of the actual gross proceeds from the subscription of the Unsubscribed Rights Shares and the ES Unsold Rights Shares under the Placing.
Placing Price	:	The placing price of the Unsubscribed Rights Shares and ES Unsold Rights Shares 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 during the process of placement.

Placees : The Unsubscribed Rights Shares and ES Unsold Rights Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies) and none of the placees shall be a party acting in concert (as defined in the Takeovers Code) with any other placees.

The Company and the Placing Agent will ensure that 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 under the GEM Listing Rules upon completion of the Placing and the Rights Issue.

Ranking : 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 the following conditions being fulfilled:

(i) the GEM 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 and such approval not having been withdrawn or revoked;

(ii) the passing of all necessary resolutions to be proposed at the EGM to be convened to consider and, approve, among others, the Rights Issue and the transactions contemplated thereunder;

(iii) 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 thereunder having been obtained;

(iv) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the 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 completion; and

(v) the Placing Agreement not having been terminated in accordance with the provisions thereof.

None of the above conditions is capable of being waived.

The long stop date for the fulfilment of conditions of the Placing Agreement shall be 4:10 p.m. on Monday, 2 February 2026 (being the next Business Day after the Placing End Date) or such later date as may be announced by the Company. The Company shall use its reasonable endeavours to procure the fulfilment of the conditions and if the said conditions are not fulfilled on or before the Placing Long Stop Date, the Placing Agreement will lapse and become null and void and the Company and the Placing Agent shall be released from all obligations under the Placing Agreement, save the liabilities for any antecedent breaches thereof.

If all the Rights Shares are already fully taken up in the Rights Issue through valid applications by PAL(s), the Placing will not proceed.

Termination : Notwithstanding anything contained in the Placing Agreement, the Placing Agent may terminate Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time up to 4:10 p.m. on Monday, 2 February 2026 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 would materially prejudice the success of the Placing or 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, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, 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 reasonable 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

(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 set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the completion which if it had occurred or arisen before the date hereof 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 absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

Under the Compensatory Arrangements, the Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed by the Placing Agent and/or its sub-placing agent(s) to Independent Third Parties on a best effort basis for the benefits of the No Action Shareholders. If all or any of the Unsubscribed Rights Shares and ES Unsold Rights Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders.

The engagement between the Company and the Placing Agent in respect of the Unsubscribed Rights Shares and the ES Unsold Rights Shares was determined after arm's length negotiation between the Placing Agent and the Company and is on normal commercial terms. In particular, the Directors, taking into account the range of placing commissions for recent rights issues conducted by issuers listed on the Stock Exchange, consider that the terms of the Placing Agreement, including the placing commission, are on normal commercial terms. Given that the Placing would provide (i) a distribution channel of the Unsubscribed Rights Shares and the ES Unsold Rights Shares; and (ii) a compensatory mechanism for the No Action Shareholders, the Directors consider that the Placing Agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Application for listing of the Rights Shares

The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. No part of the equity or debt securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of 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) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of the dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be 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.

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 following conditions being fulfilled:

(a) the passing of all the necessary resolution(s) at the EGM to be convened to consider and, approve, among others, the Rights Issue and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares) by the Independent Shareholders;

(b) 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 hereto) and otherwise in compliance with the GEM 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;

(c) the Prospectus Documents are made available 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 purpose explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;

(d) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked listing of and permission to deal in the Rights Shares in their nil-paid and fully-paid forms;

(e) the Placing Agreement not having been terminated in accordance with the provisions thereof, including force majeure events; and

(f) compliance with the requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands.

None of the above conditions can be waived. If any of the conditions referred to above is not fulfilled by the Placing Long Stop Date, the Rights Issue will not proceed.

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

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

The Group is principally engaged in design, procurement and installation services of the water circulation systems including but not limited to swimming pools, water fountains and water curtains. Since the acquisition of the City Key Group Limited in 2022 which is now a wholly-owned subsidiary of the Company, the Group has expanded its business scale into construction projects in the PRC.

The engineering, procurement and construction management ("**EPCM**") model is within the existing business model long adopted by the Group to provide management contracting services and consultancy services for its projects. Under the EPCM model, the Group directly operate and manage the design, engineering, installation and procurement for the lighting, power supply, water supply and drainage system, weak current system and electromechanical aspects of a construction project and provide overall construction management and coordination services of other contractors working on other project aspects, such as civil and structural works.

Assuming full subscription of the Rights Shares and no change in the number of issued Shares on or before the Record Date, the estimated net proceeds from the Rights Issue will be approximately HK$36.94 million.

The Group had bank balances and cash of approximately HK$1.685 million as at 30 September 2025. However, the Group recorded (i) trade payables of approximately HK$28.14 million which have an aging period of over one year; (ii) other payable and accruals of approximately HK$19.77 million as at 30 September 2025 comprises accrued audit and legal and professional fees and other payables of approximately HK$16.21 million and other third-party borrowings of approximately HK$3.56 million, which has been overdue; and (iii) bank borrowings in the aggregate sum of approximately HK$3.51 million, which are repayable by monthly instalment and not yet overdue. In addition, the Group had outstanding loan due to a Shareholder of approximately HK$12.29 million which is interest free and repayable on demand. This situation has led to significant financial pressure to the Group. As disclosed in the 2024/25 Annual Report, the management of the Company has been actively considering possible fund-raising alternatives with a view to increasing the Group's capitalisation/equity and to support the continuing growth of the Company. The Company plans to utilize approximately HK$15 million of the net proceeds from the Rights Issue for settlement of above-mentioned indebtedness as to (i) approximately HK$13 million for settlement of trade payables; (ii) approximately HK$2 million for settlement of other third-party borrowings which bear monthly interest rate ranging from 1.05% to 2%, which is expected to be utilised immediately upon

completion of the Rights Issue. For the remaining indebtedness (other than the loan owing to a Shareholder of approximately HK$12.29 million as above-mentioned) in the amount of approximately HK$36.42 million, the Company plans to settle by means of (i) cash inflow generated from the Group's business activities; and/or (ii) negotiation with relevant creditors for possibility of loan capitalisation; and/or (iii) conduct further fund raising activities when opportunities arise. In respect of the loan owing to a Shareholder in the amount of approximately HK$12.29 million, such Shareholder has agreed not to demand for any repayment due to her until the Group is in a financial position to do so.

Additionally, the Group has recently been awarded with a renovation and fitting-out project in respect of a ancient town commercial street in Sichuan, the PRC with total contract sum of approximately RMB108 million (equivalent to approximately HK$120 million), whereby the Group is responsible for the directly operate and manage the design, engineering, installation and procurement for the lighting, power supply, water supply and drainage system, weak current system and electromechanical aspects of the project and provide overall construction management and coordination services of other contractors working on other project aspects, including but not limited to pavement paving, exterior wall engineering, waterproofing engineering and earthwork engineering. This awarded project is expected to commence in the fourth quarter of 2025 and completed by the third quarter of 2026. Therefore, the Group plans to raise fund through the Rights Issue to meet the required performance bond of approximately RMB10.8 million (equivalent to approximately HK$12 million) and the estimated initial direct cost including direct labour and direct materials of approximately HK$3 million, which is expected to be satisfied by January 2026. As such, approximately HK$15 million of the net proceeds from the Rights Issue are intended to apply for the capital funding requirement of the above-mentioned newly awarded renovation and fitting-out project.

The remaining balance of the net proceeds of the Rights Issue of approximately HK$6.94 million is planned to be apply towards the general working capital of the Company including Directors' remuneration, staff salaries, rental expenses, audit fees, legal and professional fees and daily office overheads, which is expected to be utilized by June 2026.

In the event that there is an undersubscription of the Rights Issue, the net proceeds of the Rights Issue will be first applied to finance the performance bond and initial cost of the renovation and fitting-out project. Any excess amount will be utilised for settlement of the above-mentioned indebtedness proportionally.

Other fund-raising alternatives

Other than the Rights Issue, the Company has considered other debt/equity fund-raising alternatives such as bank borrowings, placing or open offer. However, the Board considers that debt financing will result in additional interest burden and a higher gearing ratio of the Group. In addition, debt financing may not be achievable on favourable terms or may require pledge of other kind of assets or securities which may reduce the Group's flexibility. As for equity fund-raising, such as placing of new Shares, it is relatively smaller in scale as compared to fund-raising through rights issue and it would lead to immediate dilution in the shareholding interest of 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, offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market. On the other hand, the 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 or decrease their respective pro rata shareholdings in the Company by taking up their respective rights entitlement or disposing of their rights entitlements in the open market (subject to availability).

The Board (including the independent non-executive Directors whose views are expressed in the Letter from the Independent Board Committee) 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.

CHANGE IN 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 after completion of the Rights Issue, assuming full acceptance by all Shareholders; (iii) immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders have taken up any entitlements of the Rights Shares and all the Unsubscribed Rights Shares and ES Unsold Rights Shares are placed to the independent placees:

	As at the Latest Practicable Date		**Immediately after completion of the Rights Issue, assuming full acceptance by all Shareholders**		**Immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders have taken up any entitlements of the Rights Shares and all the Unsubscribed Rights Shares and ES Unsold Rights Shares are placed to the independent placees**	
	Number of shares	*Approximate %*	*Number of shares*	*Approximate %*	*Number of shares*	*Approximate %*
Harmony Asia International Limited *(Note 1)*	6,179,550	13.58	30,897,750	13.58	6,179,550	2.72
Public Shareholders						
Placees	–	–	–	–	181,972,000	80.00
Other public Shareholders	39,313,450	86.42	196,567,250	86.42	39,313,450	17.28
	45,493,000	100.00	227,465,000	100.00	227,465,000	100.00

Note:

1. Harmony Asia International Limited is a company incorporated in Samoa which is wholly-owned by Mr. Nam Ho Kwan, a former executive Director, the chairman of the Board, and chief executive officer of the Company who resigned from such positions with effect from 5 October 2022. Therefore, Mr. Nam is deemed to be interested in all Shares held by Harmony Asia International Limited by virtue of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

EQUITY FUND-RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company had carried out the following equity fund-raising activities in the past 12 months immediately preceding the Latest Practicable Date:

On 12 November 2024, the Company, Ms. Leung Yan Fan Youki, Ms. Hui Lai Ngar and Ms. Ng On Yi (as creditors) completed the issuance of new shares under general mandate for debt capitalisation. The Company has agreed to allot and issue, and the creditors have agreed to subscribe a total 70,320,000 new Shares in settlement of the partial indebted sum of approximately HK$2,250,240. Please refer to the announcements of the Company dated 5 November 2024, 6 November 2024 and 12 November 2024 for further information.

On 16 April 2025, the Company, Ms. Leung Yan Fan Youki, Ms. Hui Lai Ngar and Mr. Lam Chi Yin Henry, completed the issuance of new shares under specific mandate for debt capitalisation. The Company has agreed to allot and issue, and Ms. Leung Yan Fan Youki, Ms. Hui Lai Ngar and Mr. Lam Chi Yin Henry have agreed to subscribe 11,000,000, 13,700,000 and 8,300,000 new Shares respectively in settlement of the partial indebted sum of approximately HK$3,960,000. Please refer to the announcements of the Company dated 18 February 2025, 21 March 2025, 24 March 2025, 7 April 2025 and 16 April 2025 and the circular of the Company dated 21 March 2025 for further information.

If a Qualifying Shareholder does not accept the Rights Shares provisionally allotted to him/her/it in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

POSSIBLE ADJUSTMENTS TO THE SHARE OPTIONS

As at the Latest Practicable Date, there are 611,538 outstanding Share Options granted under the Share Option Scheme entitling the holders thereof to subscribe for an aggregate of 611,538 new Shares. Pursuant to the terms of the Share Option Scheme, the Rights Issue may lead to adjustments to, among others, the exercise price and/or the number of Shares to be issued upon exercise of the outstanding Share Options under the Share Option Scheme. The Company will notify the holders of such Share Options and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made (if any) pursuant to the terms of the Share Option Scheme and such adjustments will be certified by an independent financial adviser or auditors of the Company (as the case may be). Save for the foregoing, as at the Latest Practicable Date, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares prior to the Record Date. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

GEM LISTING RULES IMPLICATIONS

Given that the Rights Issue will increase the issued share capital of the Company by more than 50%, under Rules 10.24 and 10.29(1) of the GEM Listing Rules, the Rights Issue is subject to the approval of the Independent Shareholders by way of poll at the EGM 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, no Shareholder is required to abstain from voting in favour of the resolution(s) to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder at the EGM.

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 10.44A of the GEM Listing Rules.

DESPATCH OF PROSPECTUS DOCUMENTS

Subject to the approval of the Rights Issue by the Independent Shareholders at the EGM, the Prospectus containing further information in relation to the Rights Issue and financial and other information relating to the Group is expected to be despatched by the Company together with the PAL on or before Monday, 5 January 2026. A copy of the Prospectus will also be made available on the websites of the Company (https://www.irasia.com/listco/hk/haobai/) and the Stock Exchange (www.hkexnews.hk). To the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Company will send copies of the Prospectus to Excluded Shareholders for their information only but will not send the PAL to them.

WARNING OF THE RISKS OF DEALING IN THE SHARE AND/OR THE NIL-PAID RIGHTS SHARES

SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD NOTE THAT THE RIGHTS ISSUE AND THE PLACING ARE CONDITIONAL UPON, AMONG OTHERS, CONDITIONS SET OUT IN THE SECTIONS HEADED "LETTER FROM THE BOARD – PROPOSED RIGHTS ISSUE – CONDITIONS OF THE RIGHTS ISSUE" AND "LETTER FROM THE BOARD – PROPOSED RIGHTS ISSUE – CONDITIONS OF THE PLACING" IN THIS CIRCULAR, RESPECTIVELY.

ACCORDINGLY, THE RIGHTS ISSUE AND/OR THE PLACING MAY OR MAY NOT PROCEED. ANY DEALINGS IN THE SHARES AND/OR THE NIL-PAID RIGHTS SHARES UP TO THE DATE ON WHICH ALL THE CONDITIONS OF THE RIGHTS ISSUE AND THE PLACING ARE FULFILLED WILL BEAR THE RISK THAT THE RIGHTS ISSUE AND/OR THE PLACING MAY NOT BECOME UNCONDITIONAL OR MAY NOT PROCEED.

SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY, AND IF THEY ARE IN ANY DOUBT ABOUT THEIR POSITION, THEY SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISERS.

GENERAL

The EGM will be convened and held at which resolution(s) will be proposed to consider, and, if thought fit, to approve, among other things, the Rights Issue and the Placing Agreement and the transactions contemplated thereunder. The register of members of the Company will be closed from Friday, 12 December 2025 to Thursday, 18 December 2025 (both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM.

In order to be registered as a member of the Company on the record date for attendance and voting at the EGM, 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 Thursday, 11 December 2025.

The notice convening the EGM to be held at Room 210, 2nd Floor, Yick Tai Industrial Building, 650–652 Castle Peak Road, Lai Chi Kok, Kowloon, Hong Kong on Thursday, 18 December 2025 at 2:30 p.m. is set out on pages EGM-1 to EGM-3 of this circular.

A form of proxy for use at the EGM is also enclosed. Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to 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 as soon as possible and in any event not later than 2:30 p.m. on Tuesday, 16 December 2025, Hong Kong time or not less than 48 hours before the time appointed for holding any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

In compliance with the GEM Listing Rules, all the resolution(s) to be proposed at the EGM will be voted on by way of poll at the EGM.

RECOMMENDATIONS

The Independent Board Committee, which comprises all the independent non-executive Directors, has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue and the Placing Agreement, and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole and to make recommendations to the Independent Shareholders on how to vote at the EGM on the relevant resolution(s). DL Securities (HK) Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. Your attention is drawn to the letter from the Independent Board Committee set out on page 34 of this circular which contains its recommendation to the Independent Shareholders in relation to the Rights Issue, and the letter from the Independent Financial Adviser set out on pages 35 to 61 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

The Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) consider that the terms of the Rights Issue and the Placing Agreement, and the transactions contemplated thereunder 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 Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) recommend the Shareholders and the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM.

ADDITIONAL INFORMATION

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

Yours faithfully,
For and on behalf of the Board
Hao Bai International (Cayman) Limited
Liu Mingqing
Chairman and Executive Director

HAO BAI INTERNATIONAL (CAYMAN) LIMITED
浩柏國際（開曼）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8431)

28 November 2025

To the Shareholders:

Dear Sir or Madam,

PROPOSED RIGHTS ISSUE ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

We refer to the circular of the Company dated 28 November 2025 (the "**Circular**") of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders as to whether the terms of the Rights Issue and the Placing Agreement, and the transactions contemplated thereunder are on normal commercial terms, in the interests of the Company and the Shareholders as a whole, and the terms of which are fair and reasonable insofar as the Independent Shareholders are concerned.

The Independent Financial Adviser has been appointed as the independent financial adviser to advise us and the Independent Shareholders in this respect. Having taken into account the terms of the Rights Issue and the Placing Agreement, and the advice from the Independent Financial Adviser, we are of the opinion that the terms of the Rights Issue and the Placing Agreement, and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend you to vote in favour of the resolutions to be proposed at the EGM to approve the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of the Independent Board Committee

Mr. Yuen Wai Keung **Mr. Cheung Hiu Fung** **Mr. Yiu Chi Wai**
Independent non-executive Directors

The following is the text of a letter of advice from DL Securities (HK) Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in connection with the proposed Rights Issue which has been prepared for the purpose of incorporation in this circular.

德林證券
DL SECURITIES

29/F, Vertical Square
28 Heung Yip Road
Wong Chuk Hang, Hong Kong

28 November 2025

To: the Independent Board Committee and
the Independent Shareholders of Hao Bai International (Cayman) Limited

Dear Sirs and Madams,

PROPOSED RIGHTS ISSUE ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

INTRODUCTION

We refer to our appointment as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed Rights Issue, particulars of which are set out in the letter from the Board (the "**Letter from the Board**") contained in this circular of the Company dated 28 November 2025 (the "**Circular**"), of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as defined in the Circular.

On 9 October 2025, the Company announced that the Company proposed to conduct the Rights Issue on the basis of four (4) Rights Shares for every one (1) existing Share held on the Record Date at the Subscription Price of HK$0.21 per Rights Share, to raise up to approximately HK$38.21 million, before expenses by way of issuing up to 181,972,000 Rights Shares (assuming no change in the number of issued Shares on or before the Record Date).

As stated in the Letter of the Board, the Company intends to apply the net proceeds from the Rights Issue to settle the indebtedness of the Group including trade payables and interest-bearing third-party borrowings and finance its existing businesses, in particular to a recent renovation and fitting-out project in respect of an ancient town commercial street in Sichuan, the PRC with total contract sum of approximately RMB108 million. The remaining balance of the net proceeds is planned to apply towards the general working capital of the Company.

In accordance with Rule 10.24 and Rule 10.29(1) of the GEM Listing Rules, as the Rights Issue will increase the total number of issued Shares by more than 50%, the Rights Issue is subject to the approval of the Independent Shareholders by way of poll at the EGM 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, no Shareholder is required to abstain from voting in favour of the resolution(s) to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder at the EGM.

The Company had carried out the following equity fund-raising activities in the past 12 months immediately preceding the Latest Practicable Date:

On 12 November 2024, the Company, Ms. Leung Yan Fan Youki, Ms. Hui Lai Ngar and Ms. Ng On Yi (as creditors) completed the issuance of new shares under general mandate for debt capitalisation. The Company has agreed to allot and issue, and the creditors have agreed to subscribe a total 70,320,000 new Shares in settlement of the partial indebted sum of approximately HK$2,250,240. Please refer to the announcements of the Company dated 5 November 2024, 6 November 2024 and 12 November 2024 for further information.

On 16 April 2025, the Company, Ms. Leung Yan Fan Youki, Ms. Hui Lai Ngar and Mr. Lam Chi Yin Henry, completed the issuance of new shares under specific mandate for debt capitalisation. The Company has agreed to allot and issue, and Ms. Leung Yan Fan Youki, Ms. Hui Lai Ngar and Mr. Lam Chi Yin Henry have agreed to subscribe 11,000,000, 13,700,000 and 8,300,000 new Shares respectively in settlement of the partial indebted sum of approximately HK$3,960,000. Please refer to the announcements of the Company dated 18 February 2025, 21 March 2025, 24 March 2025, 7 April 2025 and 16 April 2025 and the circular of the Company dated 21 March 2025 for further information.

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 10.44A of the GEM Listing Rules.

The Independent Board Committee, comprising Mr. Yuen Wai Keung, Mr. Cheung Hiu Fung, Mr. Yiu Chi Wai, all being the independent non-executive Directors, has been formed to advise the Independent Shareholders in respect of the Rights Issue. We, DL Securities (HK) Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. In our capacity as the independent financial adviser to the Independent Board Committee and the Independent Shareholders for the purposes of the GEM Listing Rules, our role is to give you an independent opinion as to whether the terms of the Rights Issue are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole and whether the

Independent Shareholders should vote in favour of the resolution to be proposed at the EGM to approve the Rights Issue.

OUR INDEPENDENCE

In the last two years, we did not have any engagement with the Group as an independent financial adviser. As at the Latest Practicable Date, we did not have any relationships or interests with the Group or any other parties that could reasonably be regarded as a hindrance to our independence as defined under Rule 17.96 of the GEM Listing Rules. Apart from normal professional fees payable to us in connection with this appointment, no arrangements exist whereby we will receive any fees or benefits from the Company or any other party to the captioned transactions, and therefore we are considered to be eligible to give independent advice on the terms of the proposed Rights Issue.

BASIS OF OUR OPINION

In formulating our opinion and recommendation to the Board in relation to the terms of the Rights Issue and the transactions contemplated thereunder, we have reviewed, amongst others, (i) the annual report for the year ended 31 March 2025 (the "**Annual Report 2025**"), (ii) the relevant announcement obtained from the website of the Stock Exchange; (iii) the Placing Agreement, and (iv) the information set out in the Circular. We have relied on the information, facts and representations contained or referred to in the Circular, the public information announced by the Company and the information, facts and representations provided by, and the opinions expressed by the Directors and management of the Company (the "**Management**"). We have assumed that all information, facts, opinions and representations made or referred to in the disclosed information and the Circular were true, accurate and complete at the time they were made and continued to be true and that all expectations and intentions of the Directors and the Management, will be met or carried out as the case may be. We have no reason to doubt the truth, accuracy and completeness of the information, facts, opinions and representations provided to us by the Directors and the Management. The Directors jointly and severally accept full responsibility for the accuracy of the Circular and public information disclosed and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular and public information disclosed have been arrived at after due and careful consideration and there are no other facts not contained in the public information disclosed, the omission of which would make any statement in the public information disclosed misleading.

We have not considered the taxation and regulatory implications on the Group or the Independent Shareholders as a result of the Rights Issue since these depend on their individual circumstances, and if in any doubt, should consult their own professional advisers. We will not accept responsibility for any tax effect on or liability of any person resulting from his or her acceptance or non-acceptance of the Rights Issue.

We consider that we have been provided with, and we have reviewed sufficient information to reach an informed view, to justify relying on the accuracy of the information contained in the Circular and to provide a reasonable basis for our opinion. We have no reason to doubt that any

relevant material facts have been withheld or omitted from the information provided and referred to in the public information disclosed or the reasonableness of the opinions and representations provided to us by the Directors and the Management. We have not, however, conducted any independent verification of the information provided, nor have we carried out any independent investigation into the business, financial conditions and affairs of the Company or its future prospects.

Based on the foregoing, we confirm that we have taken all reasonable steps, which are applicable to the transactions contemplated under the Rights Issue, as referred to in Rule 17.92 of the GEM Listing Rules (including the notes thereof) in formulating our opinion and recommendation. This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the terms of the Rights Issue and the transactions contemplated thereunder, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

A. PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendations to the Independent Shareholders, we have taken into consideration the following principal factors and reasons. Our conclusions are based on the results of all analyses taken as a whole.

I. The Proposed Rights Issue

1. Background information of the Group

The Group is principally engaged in design, procurement and installation services of the water circulation systems including but not limited to swimming pools, water fountains and water curtains. Since the acquisition of the City Key Group Limited in 2022, the Group has expanded its business scale into construction projects in the PRC.

The Group mainly operate its construction projects using the engineering, procurement and construction management ("**EPCM**") model. Under the EPCM model, the Group directly operate and manage the design, engineering, installation and procurement for the lighting, power supply, water supply and drainage system, weak current system and electromechanical aspects of a construction project and provide overall construction management and coordination services of other contractors working on other project aspects, such as civil and structural works.

Business and financial performance of the Group

Set out below is a summary of the audited consolidated financial information of the Group for the two years ended 31 March 2025 ("**FY2025**") and 31 March 2024 ("**FY2024**") which were extracted from the Annual Report 2025:

Consolidated Income Statement	**For the year ended 31 March 2025 (audited)** *HK$'000*	**For the year ended 31 March 2024 (audited)** *HK$'000*
Revenue	24,505	21,884
Gross profit	8,682	5,446
Profit/(loss) attributable to Shareholders	(19,262)	(10,526)

Consolidated Statement of Financial Position	**As at 31 March 2025 (audited)** *HK$'000*	**As at 31 March 2024 (audited)** *HK$'000*
Bank balances and cash	1,819	170
Net assets value	5,987	11,390
Total assets	81,085	107,168
Total liabilities	75,098	95,778

As stipulated in the Annual Report 2025, the Group recorded revenue in the amount of approximately HK$24.5 million in FY2025, representing an increase of approximately 12.0% as compared to the amount of approximately HK$21.9 million in FY2024. Such increase was mainly due to the revenue generated from Hong Kong was improved.

The revenue from management contracting services for FY2025 was approximately HK$23.8 million, represented an increase of approximately 81.7% from approximately HK$13.1 million for FY2024. The revenue from consultancy services for FY2025 was approximately HK$0.7 million, represented a decrease of approximately 92.3% from approximately HK$8.8 million for FY2024.

We also note that the Group's gross profit of approximately HK$8.7 million in FY2025 increased by approximately 59.4% from approximately HK$5.4 million in FY2024 due to more revenue being generated. The Group recorded a net loss in FY2025 in the amount of approximately HK$19.3 million as compared

to a net loss of approximately HK$10.5 million in FY2024. The increment of loss was mainly attributable to the increase in impairment was mainly due to the delay in settlement of contract assets and trade receivables from several customers due to the severe market condition of the construction industry in Hong Kong. The gross profit margin increased from approximately 24.9% for FY2024 to approximately 35.4% for FY2025, mainly due to management's continued focus on cost saving and more revenue being generated from the Group's existing projects.

The Group's total assets as at 31 March 2025 amounted to approximately HK$81.1 million and its total liabilities as at 31 March 2025 amounted to approximately HK$75.1 million. The Group's net assets amounted to approximately HK$6.0 million as at 31 March 2025, representing a decrease of approximately 47.4% as compared to that of approximately HK$11.4 million as at 31 March 2024. Such decrease was mainly due to the reduction on contract assets as of 31 March 2025 given that (i) approximately HK$31.2 million of contact assets have been transferred to trade receivable and most of which has been collected during FY2025, and (ii) approximately HK$15.6 million of loss allowance recognised on contract assets due to the severe market condition of the construction industry in Hong Kong.

2. Reasons for the Rights Issue and proposed use of proceeds

As stated in the Letter of the Board, assuming full subscription of the Rights Shares and no change in the number of issued Shares on or before the Record Date and the Rights Shares are fully subscribed, the estimated net proceeds from the Rights Issue will be approximately HK$36.94 million.

The Group had bank balances and cash of approximately HK$1.685 million as at 30 September 2025. However, the Group recorded (i) trade payables of approximately HK$28.14 million which have an aging period of over one year; (ii) other payable and accruals of approximately HK$19.77 million as at 30 September 2025 comprises accrued audit and legal and professional fees and other payables of approximately HK$16.21 million and other third-party borrowings of HK$3.56 million, which has been overdue; and (iii) bank borrowings in the aggregate sum of approximately HK$3.51 million, which are repayable by monthly instalment and not yet overdue. In addition, the Group had outstanding loan due to a Shareholder of approximately HK$12.29 million which is interest free and repayable on demand. This situation has led to significant financial pressure to the Group. We have obtained and reviewed the list of payables and borrowings of the Group as at 30 September 2025 and noticed that the trade payables of the Group which overdue for more than a year mainly comprise of the sub-contractor fee payable, any further postponement in repayment of such sub-contractor fee may affect the normal business operations and relationship with the subcontractor. Therefore, there is an imminent need for the Group to perform fundraising by the Rights Issue for the repayment of these payables.

Therefore, with reference to the Letter from the Board, the Company intend to apply the proceeds as follows:

(1) approximately HK$15 million for settlement of above-mentioned indebtedness comprising of (i) approximately HK$13 million for settlement of trade payables; and (ii) approximately HK$2 million for settlement of other third-party borrowings which bear monthly interest rate ranging from 1.05% to 2%, which is expected to be utilised immediately upon completion of the Rights Issue.

(2) Approximately HK$15 million for a newly awarded renovation and fitting-out project in Sichuan, the PRC which comprises of (i) the performance bond of approximately RMB10.8 million (equivalent to approximately HK$12 million) and approximately HK$3 million for the initial direct cost including direct labour and direct materials.

(3) The remaining balance of the net proceeds of the Rights Issue of approximately HK$6.94 million is planned to be apply towards the general working capital of the Company including Directors' remuneration, staff salaries, rental expenses, audit fees, legal and professional fees and daily office overheads, which is expected to be utilised by June 2026.

In the event that there is an undersubscription of the Rights Issue, the net proceeds of the Rights Issue will be first applied to finance the performance bond and initial cost of the renovation and fitting-out project. Any excess amount will be utilised for settlement of the above-mentioned indebtedness proportionally.

As at the Latest Practicable Date, the Group has been awarded one project with a renovation and fitting-out project in respect of an ancient town commercial street in Sichuan, the PRC with total contract sum of approximately RMB108 million (equivalent to approximately HK$120 million), whereby the Group is responsible for the directly operate and manage the design, engineering, installation and procurement for the lighting, power supply, water supply and drainage system, weak current system and electromechanical aspects of the project and provide overall construction management and coordination services of other contractors working on other project aspects, including but not limited to pavement paving, exterior wall engineering, waterproofing engineering and earthwork engineering. This awarded project is expected to commence in the fourth quarter of 2025 and completed by the third quarter of 2026. In light of the above, the Board is of the view that it is crucial to fulfill the payments obligations for the above mentioned recently awarded and ongoing participating contracting projects in order to avoid the risk of affecting the progress and implementation.

With reference to the Annual Report 2025, we noted that the Group recorded trade and other payables and accruals of approximately HK$65.6 million which the whole amount is long outstanding for over one year. On the other hand, the Group recorded trade and other receivables, deposits and prepayments of approximately HK$35.0 million which cannot cover the settlement of the trade and other payables and accruals of the Group. As at 31 March 2025, the cash and cash equivalents was approximately HK$1.8 million which was not sufficient to settle the long outstanding trade and other payables and accruals. Therefore, part of the total net proceeds from the Rights Issue will be applied to repay the Group's trade and other payables and accruals, allowing the Group to reduce its financial burden in order to ensure its operational stability and reliability.

As set out in the Letter from the Board, the 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 Qualifying 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 Board considers that it is in the interests of the Company and the Shareholders as a whole to raise capital through the Rights Issue. In assessing the fairness and reasonableness of the proposed uses of the net proceeds, we have also reviewed the contract of the recently awarded renovation and fitting-out project of the Group in respect of the ancient town commercial street in Sichuan, the PRC and noticed that the Group is obliged to pay for a performance bond of RMB10.8 million, representing 10% of the contract sum of RMB108 million, within 7 days upon confirming the construction drawings and project costs among both parties.

Having considered the above, and in particular, (i) the proceeds from the Rights Issue could be used to settle a portion of its outstanding trade payables and other third party borrowing with a relatively high interest rates; and (ii) part of the proceeds from the Rights Issue could facilitate the Group to proceed the newly awarded project by fulfilling the performance bond requirement as well as certain direct labour costs, we concur with the Directors that the Rights Issue provides a good opportunity for the Group to strengthen its capital structure without incurring debt financing cost, improve the financial position, and provide additional financial resources for the Group's in kicking off the new awarded project and its daily operation. We are of the view that the intended use of proceeds is fair and reasonable and the Rights Issue are in the interests of the Company and the independent Shareholders as a whole.

Other fund-raising alternatives

As disclosed in the Letter from the Board, the Board considers raising funds by way of the Rights Issue is a better alternative than other debt/equity fund raising alternatives such as bank borrowings, placing, or open offer.

In respect of debt financing, the Board consider that bank borrowings will carry interest costs and may require the provision of security and creditors will rank before the Shareholders. Debt financing will also result in additional interest burden, a 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 that may reduce the Group's flexibility. As for equity fund raising, the Board consider placing or subscription of new Shares would dilute the shareholding of the existing Shareholders without giving the chance to the existing Shareholders to participate. In particular, placing is relatively smaller in scale as compared to fund raising 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 opposed to an open offer which does not allow the trading of rights entitlements, the Rights Issue enables the Shareholders to sell the nil-paid rights in the market. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Company.

After taking into account the benefits and potential cost of each of the alternatives such as bank borrowings, placing or an open offer, we concur with the view of the Board that (i) debt financing may not be achievable on favourable terms in a timely manner; (ii) placing of new Shares would only be available to limited number of placees and would dilute the shareholding of the existing Shareholders; and (iii) open offer does not allow Qualifying Shareholders to trade rights entitlements freely in the open market, and we consider raising funds by way of the Rights Issue is more attractive in the current market condition and the Rights Issue will enable the Company to meet its capital needs and to strengthen its working capital base and enhance its financial position, while at the same time, allowing the Qualifying Shareholders to maintain their pro rata shareholdings in the Company.

Based on the above, we concur with the Director's view that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the Rights Issue

The Company proposes to raise gross proceed of up to approximately HK$38.1 million (assuming full subscription under the Rights Issue and no change in the number of existing Shares on or before the Record Date) by issuing up to 181,972,000 Rights Shares at the Subscription Price of HK$0.21 per Rights Shares on the basis of four (4) Rights Shares for every one (1) existing Shares held at the close of business on the Record Date. Details of the Rights Issue are set out below:

Rights Issue Statistics

Basis of the Rights Issue	:	Four (4) Rights Shares for every one (1) existing Share held at the close of business on the Record Date
Subscription Price	:	HK$0.21 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	45,493,000 Shares
Number of Rights Shares	:	Up to 181,972,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date). 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 181,972,000 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) 400% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) 80% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.
Aggregated nominal value of the Rights Shares	:	Up to HK$1,819,720 (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	:	Up to 227,465,000 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	:	Up to approximately HK$38.21 million
Net proceeds from the Rights Issue	:	Up to approximately HK$36.94 million
Net price per Rights Shares (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	Approximately HK$0.203 per Rights Share (assuming full subscription under the Rights Issue and no change in the number of Shares).
Rights of excess application and underwriter	:	There will be no excess application arrangements in relation to the Rights Issue and the Rights Issue is not underwritten.
Compensatory Arrangements	:	Any Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements. Any of the Rights Shares which remain unsold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

As at the Latest Practicable Date, there are 611,538 outstanding Share Options granted under the Share Option Scheme entitling the holders thereof to subscribe for a total of 611,538 Shares under the Share Option Scheme. Save for the foregoing, as at the Latest Practicable Date, the Company has no other outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares prior to the Record Date. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

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 181,972,000 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) 400% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) 80% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. There will be no excess application arrangements in relation to the Rights Issue as stipulated under GEM Listing Rule 10.31(1)(a) of the GEM Listing Rules. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders will be placed to independent placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares or ES Unsold Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which (i) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 10.26(2) of the GEM Listing Rules; and (ii) does not cause the Company failing to meet the public float requirement under Rule 11.23(7) of the GEM Listing Rules.

The Subscription Price

The Subscription Price is HK$0.21 per Rights Shares, 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 40.00% to the closing price of HK$0.35 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 19.23% to the closing price of HK$0.26 per Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 27.08% to the average of the closing prices of HK$0.288 per Existing 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 26.31% to the average of the closing prices of approximately HK$0.285 per Existing 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 4.55% to the theoretical ex-rights price of approximately HK$0.22 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK$0.26 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;

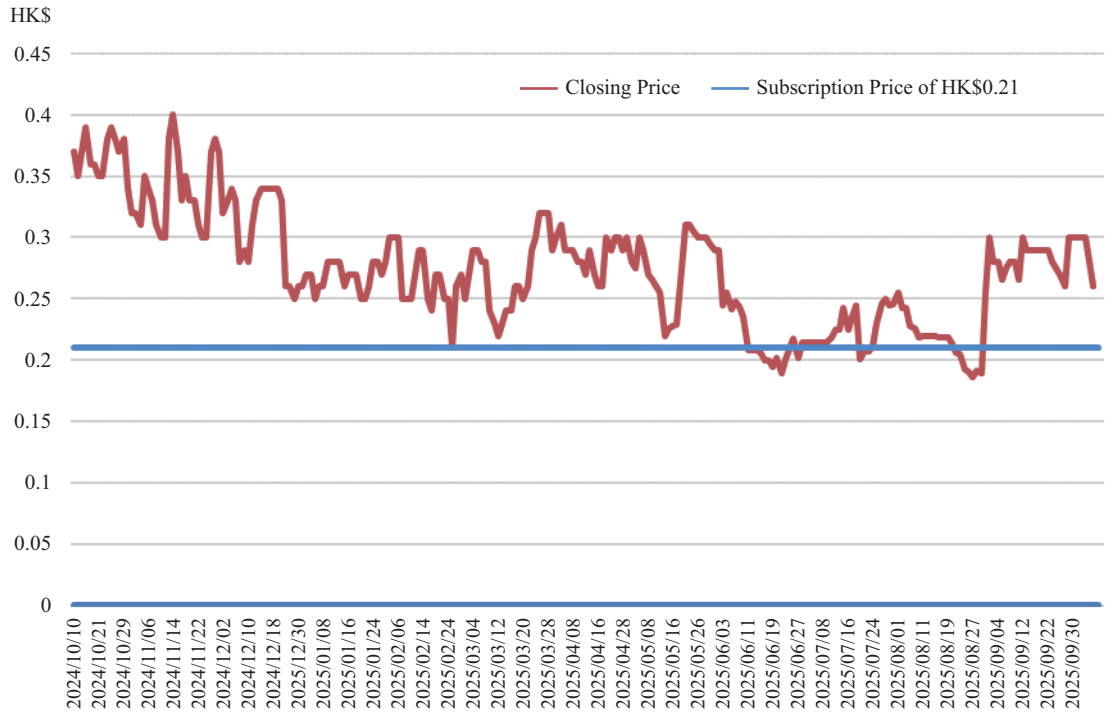
(vi) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 23.24% to the existing Shareholders if they elect not to participate in the Rights Issue, which is calculated based on the theoretical ex-rights price of approximately HK$0.227 per Existing Share and the benchmarked price of approximately HK$0.296 per Existing Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK$0.26 per Existing Share and the average of the closing prices of the existing Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of approximately HK$0.296 per Existing Share); and

(vii) a premium of approximately 59.09% over the consolidated net asset value per Existing Share of approximately HK$0.132 (based on the latest published consolidated net asset value of the Company of HK$5,987,000 as at 31 March 2025 and 45,493,000 Shares in issue as at Latest Practicable Date).

As stated in the Letter from the Board, the Subscription Price was determined by the Company with reference to, among others, (i) the recent closing prices of the Shares; (ii) the financial position of the Group; and (iii) the reasons as discussed in the section headed "REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS" in the Circular.

In order to assess the fairness and reasonableness of the Subscription Price, we have taken into account (i) the daily closing prices of the Shares covering a period of commencing from 10 October 2024 to 9 October 2025, being a period

of twelve months up to and including the Last Trading Day (the "**Review Period**"); and (ii) the average daily trading volumes of the existing Shares for each of the months/periods during the Review Period. We consider that the Review Period is adequate to illustrate the historical trend and level of movements in the closing prices of the Shares, reflect prevailing market sentiment, and provide a general overview of the recent price and trading performance of the Shares. The chart below illustrates the shows the daily closing prices of the Shares as quoted on the Stock Exchange during the Review Period:



Source: The website of the Stock Exchange (http://www.hkex.com.hk)

During the Review Period, the closing prices of the Shares demonstrated a general downward trend from HK$0.37 per Share on 10 October 2024, the date of commencement of the Review Period, to HK$0.26 per Share on the Last Trading Day. The closing prices of the Shares were between a low of HK$0.186 per Share on 27 August 2025 and a high of HK$0.40 per Share on 14 November 2024, with an average closing price of approximately HK$0.274 per Share. The closing prices of the Shares had been staying above the Subscription Price for most of the time during the entire Review Period.

The Subscription Price of HK$0.21 per Share represents (i) a premium of approximately 12.9% over the lowest closing price of HK$0.186 per Share; (ii) a discount of approximately 47.5% to the highest closing price of HK$0.40 per Share; and (iii) a discount of approximately 23.4% to the average daily closing price of approximately HK$0.274 per Share, during the Review Period. As such, the attractiveness of the Rights Issue for the Qualifying Shareholders to participate and maintain their respective shareholding interests in the Company shall be enhanced accordingly with the Subscription Price offered at discounts as illustrated above.

Trading volume of the Shares

The table below sets out the average daily trading volume of the Shares per month/period and the respective percentages of the average daily trading volume as compared to the total number of issued Shares as at the end of relevant month/period, during the Review Period:

	Total trading volume for the month/period	**Number of trading days in the month/period**	**Average daily trading volume for the month/period** *(Note 1)*	**Percentage of average daily trading volume to total number of Shares (approximately)** *(Note 2)*
2024				
October *(Note 3)*	470,700	15	31,380	0.09%
November	13,470,300	21	641,443	1.52%
December	3,159,400	20	157,970	0.37%
2025				
January	1,061,000	19	55,842	0.13%
February	9,816,600	20	490,830	1.16%
March	5,264,700	21	250,700	0.59%
April	2,086,100	19	109,795	0.24%
May	640,400	20	32,020	0.07%
June	3,660,000	21	174,286	0.38%
July	955,000	22	43,409	0.10%
August	978,000	21	46,571	0.10%
September	4,362,100	22	198,277	0.44%
October *(Note 4)*	739,100	5	147,820	0.32%

Source: Website of the Stock Exchange

Notes:

1. Average daily trading volume is calculated by dividing the total trading volume for the month/ period by the number of trading days in the respective month/period.

2. Calculation is based on the average daily trading volume of Shares divided by the total issued Shares of the Company at the end of each respective month.

3. Since the start of the Review Period, 10 October 2024.

4. Up to the end of the Review Period, 9 October 2025.

As illustrated in the table above, the percentage of average daily trading volume of Shares during the Review Period ranged from 0.07% to 1.52% of the total number of issued Shares as at the end of their respective month/period. Given that the liquidity of the Shares was relatively thin during the Review Period, we are of the view that it is reasonable for the Subscription Price to be set at a discount to the average closing price of the Shares during the Review Period in order to attract the Qualifying Shareholders to participate in the Rights Issue.

Comparable analysis

In order to further assess the fairness and reasonableness of the terms of the Rights Issue, we have conducted a review of comparable transactions involving proposed rights issues announced by companies listed on the Stock Exchange in the three months preceding and including the Last Trading Day (the "**Comparable Transactions**"). To the best of our efforts and knowledge, we have identified 21 Comparable Transactions which we consider exhaustive. We believe that this list is fair, representative, and comparable to the Rights Issue, based on the following considerations: (i) all transactions involve the same type of proposed rights issue by listed companies on the Stock Exchange, facilitating meaningful comparison purposes; and (ii) the three-month period up to and including the Last Trading Day represents a reasonable timeframe to capture recent market practices under prevailing market conditions and sentiment for rights issues.

Independent Shareholders should note that the businesses, operations, prospects, and market capitalisation of the Group may differ from or vary significantly compared to those of the listed companies undertaking the Comparable Transactions. The Comparable Transactions set out below are provided solely for the purpose of offering a general insight into the terms of proposed rights issues announced during the said three-month period. Accordingly, these examples should not be construed as a direct reflection of the Group's circumstances, but rather as a broad reference to recent market practices under prevailing conditions. Details of the Comparable Transactions are set out below:

Date of announcement	Company	Stock Code	Basic of entitlement	Premium/ (discount) of subscription price per rights issue share over to closing price per share on the last trading day prior to announcement of rights issue *(%)*	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 and prior to announcement of rights issue *(%)*	Premium/ (discount) of subscription price per rights issue share over/ to the net asset value per share *(%)*	Theoretical dilution effect *(Note 1)* *(%)*	Excess Application ("EA")/ Placing *(Note 2)*	Placing commission *(%)*	Minimum placing commission *(HK$)*	Underwriting arrangement	Underwriting fee *(%)*
9/10/2025	CCIAM Future Energy Limited	145	1 for 2	(18.62)	(19.05)	(6.13)	6.63	Placing	N/A	100,000	Non-fully underwritten	N/A
5/10/2025	Fire Rock Holdings Limited	1909	1 for 2	(20.20)	(27.85)	166.12	9.13	Placing	N/A	100,000	Non-fully underwritten	N/A
3/10/2025	Macau Legend Development Limited	1680	1 for 2	(45.45)	(44.44)	(88.46)	15.79	EA	N/A	No	Fully underwritten	3.0

Date of announcement	Company	Stock Code	Basic of entitlement	Premium/ (discount) of subscription price per rights issue over to closing price per share on the last trading day prior to announcement of rights issue	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 prior to announcement of rights issue	Premium/ (discount) of subscription price per rights issue share over/ to the net asset value per share	Theoretical dilution effect	Excess Application ("EA")/ Placing	Placing commission	Minimum placing commission	Underwriting arrangement	Underwriting fee
							(Note 1)	*(Note 2)*				
				(%)	*(%)*	*(%)*	*(%)*		*(%)*	*(HK$)*		*(%)*
2/10/2025	China New Economy Fund Limited	80	1 for 2	(29.29)	(27.23)	660.87	9.70	EA	N/A	No	Non-fully underwritten	N/A
26/9/2025	Perfectech International Holdings Limited	765	1 for 2	(18.06)	(20.70)	152.14	6.99	EA	N/A	No	Non-underwritten	N/A
22/9/2025	Gameone Holdings Limited	8282	1 for 2	1.69	(0.99)	(3.23)	0.55	EA	N/A	No	Non-fully underwritten	0.50
19/9/2025	Immunotech Biopharm Limited	6978	1 for 5	(47.70)	(47.79)	Net liabilities	8.05	EA	N/A	No	Non-fully underwritten	1.45
15/9/2025	Zhong Jia Guo Xin Holdings Company Limited	899	2 for 1	(33.64)	35.23	(97.87)	24.78	Placing	5.00	No	Non-underwritten	N/A
10/9/2025	China Automative Interior Decoration Holdings Limited	48	3 for 2	(29.73)	(29.27)	(88.13)	17.84	Placing	1.50	No	Non-underwritten	N/A
4/9/2025	Aeso Holding Limited	8341	2 for 1	(25.70)	(10.35)	(83.00)	17.12	Placing	2.50	No	Non-underwritten	N/A

Date of announcement	Company	Stock Code	Basic of entitlement	Premium/ (discount) of subscription price per rights issue over to closing price per share on the last trading day prior to announcement of rights issue	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 prior to announcement of rights issue	Premium/ (discount) of subscription price per rights issue share over/ to the net asset value per share	Theoretical dilution effect	Excess Application ("EA")/ Placing	Placing commission	Minimum placing commission	Underwriting arrangement	Underwriting fee
							(Note 1)	*(Note 2)*				
				(%)	*(%)*	*(%)*	*(%)*		*(%)*	*(HK$)*		*(%)*
4/9/2025	Many Idea Cloud Holdings Limited	6696	6 for 1	(22.08)	(24.56)	(91.29)	20.63	Placing	0.20	No	Non-underwriten	N/A
26/8/2025	Jisheng Group Holdings Limited	8133	3 for 1	(14.29)	(14.29)	(45.45)	10.57	Placing	1.50	No	Non-underwriten	N/A
14/8/2025	China Energy Development Holdings Limited	228	1 for 2	(19.90)	(19.90)	(73.34)	6.63	EA	N/A	No	Non-underwriten	N/A
13/8/2025	China Information Technology Development Limited	8178	3 for 8	(55.05)	(55.24)	(63.00)	15.12	EA	N/A	No	Fully underwriten	7.07
13/8/2025	Capital VC Limited	2324	1 for 1	(27.30)	(24.80)	(82.00)	13.60	Placing	3.00	100,000	Non-underwriten	N/A
6/8/2025	Value Convergence Holdings Limited	821	2 for 1	(4.26)	(5.86)	(71.06)	3.11	EA	2.50	No	Non-underwriten	N/A
4/8/2025	Tomo Holdings Limited	6928	1 for 2	(62.10)	(63.20)	25.00	21.30	Placing	1.00	No	Non-underwriten	N/A

Date of announcement	Company	Stock Code	Basic of entitlement	Premium/ (discount) of subscription price per rights issue over to closing price per share on the last trading day prior to announcement of rights issue	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 prior to announcement of rights issue	Premium/ (discount) of subscription price per rights issue share over/ to the net asset value per share	Theoretical dilution effect	Excess Application ("EA")/ Placing	Placing commission	Minimum placing commission	Underwriting arrangement	Underwriting fee
				(%)	*(%)*	*(%)*	*(Note 1)*	*(Note 2)*	*(%)*	*(HK$)*		*(%)*
30/7/2025	Da Yu Financial Holdings Limited	1073	1 for 2	(16.67)	(18.92)	(45.45)	6.67	EA	N/A	No	Non-underwritten	N/A
25/7/2025	Shin Hwa World Limited	582	1 for 1	(34.21)	(33.07)	(97.12)	17.11	EA	N/A	No	Non-fully underwritten	1.00
23/7/2025	Future Machine Limited	1401	1 for 2	(72.28)	(72.28)	(28.61)	24.09	Placing	1.00	No	Non-underwritten	N/A
10/7/2025	XJ International Holdings Co., Limited	1765	1 for 8	5.82	6.95	(83.61)	N/A	Placing	0.50	50,000	Non-underwritten	N/A
	Maximum			5.82	35.23	660.87	24.78	5.00	100,000	7.07		
	Minimum			(72.28)	(72.28)	(97.87)	0.55	0.20	50,000	0.50		
	Average			(28.05)	(24.65)	(2.18)	12.77	1.87	87,500	2.60		
	Median			(25.70)	(24.56)	(67.03)	12.09	1.50	100,000	1.45		
	The Company	8431	4 for 1	(19.23)	(27.08)	59.09	23.24	Placing	1.5	No	Non-underwritten	N/A

Notes:

1. The theoretical dilution effect is calculated in accordance with Rule 7.27B of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") or Rule 10.44A of the GEM Listing Rule, or extracted from the announcement, circular or prospectus in respect of the relevant rights issue.

2. Pursuant to Rule 7.21(1) of the Listing Rule or Rule 10.31(1) of the GEM Listing Rule.

As illustrated in the table above, we observed that (i) 19 of the 21 Comparable Transactions had set the subscription price of their rights issue at a discount to the prevailing closing price of their shares on the last trading day in relation to their respective rights issue; (ii) 19 of the 21 Comparable Transactions had set the subscription price of their rights issue at a discount to the average closing price per share for the last five consecutive trading days immediately up to and including the last trading day; and (iii) 16 of the 21 Comparable Transactions had set the subscription price of their rights issue at a discount to the net asset value per share. It indicates that it is common for listed companies to set the subscription price of rights issue at a discount to the closing price per share on the last trading day, the average closing price per share for the last five consecutive trading days and the net asset value per share, with the view to encourage participation.

The subscription price per rights share in the Comparable Transactions ranged from a discount of approximately 72.28% to a premium of approximately 5.82% to/over their respective closing price per share on the last trading day, with an average discount of approximately 28.05%. The Subscription Price represents a discount of approximately 19.23% to the closing price of the Shares on the Last Trading Day, which is within the range and lower than the average of the Comparable Transactions.

The subscription price per rights share in the Comparable Transactions ranged from a discount of approximately 72.28% to a premium of approximately 35.23% to/over their respective average closing price per share for the last five trading days up to and including or prior to the last trading day, with an average discount of approximately 24.65%. The Subscription Price represents a discount of approximately 27.08% to the average closing price of the Shares for the five consecutive trading days up to and including the Last Trading Day, which is within the range and broadly in line with the average of the Comparable Transactions.

The subscription prices to the net asset value per share of the Comparable Transactions ranged from a discount of approximately 97.87% to a premium of approximately 660.87% to/over their respective net asset value per shares, with an average discount of approximately 2.18%. The premium of approximately 59.09% of the Subscription Price to the net asset value per share of the Company falls within the range of those of the Comparable Transactions, is higher than the average of the Comparable Transactions.

The theoretical dilution effect of the rights issue conducted by the Comparable Transactions ranged from approximately 0.55% to approximately 24.78% with average and of approximately 12.77%. The theoretical dilution effect of the Rights Issue of approximately 23.24% falls within the range of the Comparable Transactions.

Among the Comparable Transactions, we noted that 11 out of 21 Comparable Transactions exercise placing in their rights issues which outnumbers the number of excess applications. As such, we consider that it is reasonable for rights issue to have placing arrangements.

Despite the Subscription Price was below the closing prices of the Shares in most of the time during the Review Period, considering that (i) as shown in the table of the Comparable Transactions above, it a common market practice to issue rights shares at a discount to prevailing market price to enhance the attractiveness of the rights issue; (ii) the discounts of the Subscription Price to (1) the closing price on the Last Trading Day, and (2) the average closing price per share for the last five trading days up to and including or prior to the Last Trading Day are within the range of and broadly in line with or comparable to the average of the Comparable Transactions; and (iii) the Subscription Price represents a premium to the net asset value per share of the Company which falls within the range of the Comparable Transactions and is higher than the average of the Comparable Transactions, we consider the Subscription Price is fair and reasonable.

The Placing Agreement

Extracted key terms of the Placing Agreement are shown below:

Date	:	9 October 2025 (after trading hours of the Stock Exchange)
Issuer	:	The Company
Placing Agent	:	Cheong Lee Securities Limited To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.
Commission and expenses	:	Subject to completion of the Placing taking place, the Company shall pay a placing commission of 1.5% of the actual gross proceeds from the subscription of the Unsubscribed Rights Shares and the ES Unsold Rights Shares pursuant to the terms of the Placing Agreement.
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 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 during the process of placement.

Placees	:	The Unsubscribed Rights Shares and ES Unsold Rights Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies) and none of the placees shall be a party acting in concert (as defined in the Takeovers Code) with any of them or other placees. The Company and the Placing Agent will ensure that 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 and the Company will continue to comply with the public float requirement under the GEM Listing Rules upon completion of the Placing and the Rights Issue.

For further details of the Placing Agreement, please refer to section headed "Placing Agreement for the Unsubscribed Rights Shares and 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 commission payable) were determined after arm's length negotiation between the Placing Agent and the Company with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market conditions. We are of the view that it is on normal commercial terms with reference to the 11 Comparable Transactions that having placing arrangement, the commission charged by the placing agents in the 11 Comparable Transactions ranged between 0.20% to 5.00%, with an average of approximately 1.87%. Given the commission rate of 1.50% charged by the Placing Agent falls within the range of the 11 Comparable Transactions and below the average. In addition, 7 out of the 11 Comparable Transactions had no minimum or fixed placing commission, we noted that it is common not to have fixed fee as placing commission. Therefore, we concur with the view of the Directors that the commission rate charged by the Placing Agent under the Placing is fair and reasonable and on normal commercial terms.

Pursuant to Rule 10.31(1)(b) of the GEM Listing Rules, the Company will make the Compensatory Arrangements to dispose of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by offering these Shares to independent

Placees, who and whose ultimate beneficial owners(s) shall be Independent Third Party(ies), for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 10.31(1)(a) of the GEM Listing Rules. The Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed by the Placing Agent to independent Placees on a best effort basis for the benefits of the No Action Shareholders. If all or any of the Unsubscribed Rights Shares and ES Unsold Rights Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders. Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the ES Unsold Rights Shares; and (ii) a compensatory mechanism for No Action Shareholders, we concur with the view of the Board that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company's minority Shareholders. In particular, excess application is considered as a passive arrangement to facilitate additional participation of the Qualifying Shareholders. Taking into account the low liquidity of the Shares before the Last Trading Day, we consider it would be more desirable for the Company to adopt a more active measure by way of the Compensatory Arrangements to mitigate the uncertainty of the fundraising exercise.

Potential dilution effect

All the Qualifying Shareholders are entitled to subscribe for the Rights Shares. For those Qualifying Shareholders who take up their entitlements in full under the Rights Issue, their shareholding interests in the Company will remain unchanged after the Rights Issue. Qualifying Shareholders who do not accept the Rights Issue can, subject to the then prevailing market conditions, consider selling their nil-paid rights to subscribe for the Rights Shares in the market. The changes in shareholding structure of the Company arising from completion of the Rights Issue are set out in the section headed "CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE" in the Letter from the Board. Those Qualifying Shareholders who opt not to subscribe to the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue, with their aggregate interests potentially reduced by a maximum of approximately 23.24%. As illustrated in the table of the Comparable Transactions above, the theoretical dilution effect of the Comparable Transactions ranged from approximately 0.55% to 24.78%, with an average of 12.77%. The theoretical dilution effect of the Rights Issue, at approximately 23.24%, is higher than the average dilution effects. Nonetheless, taking into consideration that, (i) the theoretical dilution effect of the Rights Issue falls within the range of the Comparable Transactions, (ii) the theoretical dilution effect of the Rights Issue complies with the theoretical dilution limit as defined under the GEM Listing Rules; and (iii) all Qualifying Shareholders are offered an equal opportunity to

subscribe for the Rights Shares under the Rights Issue, we consider that the potential dilution effect of the Rights Issue is acceptable.

Financial effects of the Rights Issue

Net tangible assets

According to the unaudited pro forma financial information of the Group set out in the Appendix II to the Circular, the audited consolidated net tangible assets of the Group attributable to owners of the Company was approximately HK$2.93 million as at 31 March 2025, while the audited consolidated net tangible assets per Share before completion of the Rights Issue was approximately HK$0.06. Upon completion of the Rights Issue, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company would increase to approximately HK$39.87 million, while the unaudited pro forma adjusted consolidated net tangible assets per Share immediately after completion of the Rights issue was approximately HK$0.18.

Liquidity

According to the Annual Report 2025, as at 31 March 2025, the Group's bank balances and cash of approximately HK$1.82 million and the Group had net current assets of approximately HK$0.66 million. Immediately upon completion of the Rights Issue, the bank balances and cash and the net current asset of the Group are expected to increase by the expected net proceeds from the Rights Issue of approximately HK$36.94 million. As such, the liquidity of the Group will be improved upon the completion of the Rights Issue.

OPINION AND RECOMMENDATION

Having considered the abovementioned principal factors and reasons, we are of the view that the terms of the Rights Issue are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. We therefore advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Rights Issue.

Yours faithfully
For and on behalf of
DL Securities (HK) Limited

Tommy Cheng	**Nathan Au**
Managing Director Corporate Finance Division	*Managing Director Corporate Finance Division*

Mr. Tommy Cheng and Mr. Nathan Au are licensed persons under the SFO to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and regarded as responsible officers of DL Securities (HK) Limited. Mr. Tommy Cheng and Mr. Nathan Au have over 14 and 6 years of experience in corporate finance industry, respectively.

1. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the three years ended 31 March 2023, 2024, 2025 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (https://www.irasia.com/listco/hk/haobai/), respectively:

(i) the audited consolidated financial information of the Group for the year ended 31 March 2025 is disclosed in the annual report of the Company for the year ended 31 March 2025 published on 30 July 2025, from pages 78 to 163 (https://www1.hkexnews.hk/listedco/listconews/gem/2025/0730/2025073001752.pdf);

(ii) the audited consolidated financial information of the Group for the year ended 31 March 2024 is disclosed in the annual report of the Company for the year ended 31 March 2024 published on 29 July 2024, from pages 80 to 167 (https://www1.hkexnews.hk/listedco/listconews/gem/2024/0729/2024072900240.pdf); and

(iii) the audited consolidated financial information of the Group for the year ended 31 March 2023 is disclosed in the annual report of the Company for the year ended 31 March 2023 published on 3 July 2023, from pages 73 to 153 (https://www1.hkexnews.hk/listedco/listconews/gem/2023/0703/2023070300082.pdf).

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 October 2025, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the respective indebtedness of the Group is as follows:

	As at 31 October 2025
	HK$
Borrowings *(Note a)*	7,730,000
Lease liabilities *(Note b)*	190,000
Amount due to a shareholder *(Note c)*	12,288,000
	20,208,000

As at 31 October 2025, we had total indebtedness of approximately HK$20.208 million.

Notes:

(a) As at the close of business on 31 October 2025, the Group had outstanding unsecured and unguaranteed borrowings of approximately HK$7.73 million from banks and a connected person of the Company carrying interests rates ranging from 3.5% to 12.6% per annum.

(b) As at the close of business on 31 October 2025, the Group had unsecured and unguaranteed lease liabilities of approximately HK$0.19 million.

(c) The amount due is unsecured, unguaranteed, interest-free and repayable on demand. On 31 October 2025, the substantial shareholder of the Company has intended not to demand for any repayment due to her until the Group is in a financial position to do so. As at the close of business on 31 October 2025, the total due amount is approximately HK$12.288 million.

Contingent liabilities

As at 31 October 2025, the Group did not have any material contingent liabilities. Save as aforesaid, as at the close of business on 31 October 2025, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group did not have any outstanding mortgages, charges, debentures, debt securities issued and outstanding, and authorised or otherwise created but unissued, or other loan capital or bank overdrafts or loans (guaranteed, unguaranteed, secured or unsecured) or other similar indebtedness or finance lease commitments, liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments or guarantees nor other material contingent liabilities.

The Directors are not aware of any material change in the indebtedness and contingent liability position of the Group since 31 October 2025 up to and including the Latest Practicable Date.

3. WORKING CAPITAL STATEMENT

As at the Latest Practicable Date, the Company has obtained a working capital sufficiency confirmation letter from its auditor as required under Rule 12.26C of the GEM Listing Rules. The Directors, after due and careful consideration, are of the opinion that taking into account the financial resources available to the Group and the estimated net proceeds from the Rights Issue, the working capital available to the Group is sufficient for the Group's requirements for at least the next twelve (12) months following the date of this Circular.

4. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position or outlook of the Group since 31 March 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up) and up to and including the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group, a Hong Kong-based contractor, is principally engaged in design, procurement and installation services of the water circulation systems including but not limited to swimming pools, water fountains and water curtains. We provide services mainly to property developers, main contractors and sub-contractors in various private residential projects, hotel, casino, shopping and recreation complex projects in Hong Kong and China respectively. The Group's services are mainly categorised as (i) management contracting services – design, procurement and installation of water circulation systems and related maintenance services; and (ii) consultancy services – provision of consultancy services on water circulation systems and engineering, procurement and construction management ("**EPCM**") services of commercial and residential buildings and infrastructures in China. For the year ended 31 March 2025, the Group had 4 major management contracting projects in Hong Kong with revenue contribution, while the Group will continue to look for business opportunities in China and the Greater Bay Area.

The global economy is expected to remain challenging and volatile in the next 12 months. The uncertainties in growth momentum, monetary policies and interest rate movements across major economies will be affected by policy shifts and different political landscape. The Chinese government has introduced a range of measures to encourage domestic consumption and strengthen investor confidence. Hong Kong will continue to benefit from the strong support of the Central Government maintain its long-standing position as an international financial, trade and shipping centre.

The continuing Russia-Ukraine war, the rise of Israeli-Palestinian conflict, the escalating Sino-U.S. technology war, and recovery of China's economy below market expectation resulted in sluggish economy in general, leading to weak demand in Hong Kong's overall economy and business environments. For the financial year ended 31 March 2025, the Group's net loss increased from approximately HK$10.5 million for the year ended 31 March 2024 to approximately HK$19.3 million for the year ended 31 March 2025. The increase in loss was mainly due to the increase in the impairment loss on contract assets and trade receivables from approximately HK$3.68 million in 2024 to approximately HK$17.26 million in 2025. The increase in impairment was mainly due to the delay in settlement of contract assets and trade receivables from several customers due to the severe market condition of the construction industry in Hong Kong. The Company is in the course of negotiation with those customers to recover those impaired contract assets and trade receivables. Although our Directors remain confident in the mid-to-long term business outlook of Hong Kong and China and also the performance of the Group, the financial results of the Group in the near future may potentially be affected as a result of the adversities.

Going forward, the Group will continue to look for business engagements and investment opportunities both in Hong Kong and China while at the same time, implementing cost reduction programs to minimise cash outflows, staff costs, general expenses and taking considerable efforts to control capital expenditures. The Directors will continue to evaluate the Group's business strategies in Hong Kong and China on a regular basis while any potential business opportunities will be discussed and reviewed internally. Business decisions are made in the view of improving the Group's short and long term potential growth while we will continue to leverage our network to enhance our financial positions for our shareholders and stakeholders.

For illustrative purpose only, set out below is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group after completion of the Rights Issue. Although reasonable care has been exercised in preparing the unaudited pro forma financial information, Shareholders who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the Group's financial results and positions for the financial periods concerned.

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

Introduction

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2025 (the "**Unaudited Pro Forma Financial Information**") which has been prepared by the Directors in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants is for illustration only, and is set out in this appendix to illustrate the effect of the Rights Issue, on the audited consolidated net tangible assets of the Group as at 31 March 2025 attributable to the owners of the Company as if the Rights Issue had taken place on such date.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2025 or any future date following the Rights Issue.

The Unaudited Pro Forma Financial Information of the Group as at 31 March 2025 is prepared by the Directors based on the consolidated net tangible assets of the Group attributable to owners of the Company derived from the audited consolidated statement of financial position of the Group as at 31 March 2025 as extracted from the published annual report of the company for the year ended 31 March 2025, after incorporating the adjustments described in the accompanying notes.

	Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2025	Unaudited estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company as at 31 March 2025 immediately after completion of the Rights Issue	Unaudited consolidated net tangible assets attributable to owners of the Company per Adjusted Share immediately before completion of the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Adjusted Share as at 31 March 2025 immediately after completion of the Rights Issue
	HK$'000	*HK$'000*	*HK$'000*	*HK$*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 4)*	*(Note 5)*
Based on 4 Rights Shares to be issued for every existing share at the Subscription Price of HK$0.21 per Rights Share	2,931	36,940	39,871	0.06	0.18

Notes:

1. The audited consolidated net tangible assets of the Group attributable to owners of the Company were approximately HK$2,931,000 as at 31 March 2025 is based on the consolidated net assets of the Group attributable to owners of the Company as at 31 March 2025 of approximately HK$5,632,000 less intangible assets of approximately HK$2,701,000, which has been extracted from the audited consolidated statement of financial position of the Group as at 31 March 2025, as shown on the published annual report of the Company for the year ended 31 March 2025.

2. The unaudited estimated net proceeds from the Rights Issue of approximately HK$36,940,000 are based on 181,972,000 Rights Shares to be issued at the Subscription Price of HK$0.21 per Rights Share and after deducting estimated related expenses of approximately HK$1,274,000 and assumed that no outstanding share options being exercised, and that there is no change in the number of issued shares from the date of the announcement on 31 March 2025 up to the record date.

3. The Company issued 33,000,000 shares under the general mandate for the debt capitalisation, which was completed on 16 April 2025 (the "**Debt Capitalisation**"). Additionally, the Company has completed the share consolidation of every ten (10) issued shares of the Company into one (1) consolidated share on 29 April 2025 (the "**Share Consolidation**"). By way of illustration, the 421,930,000 shares of the Company in issue as at 31 March 2025 would be consolidated into 45,493,000 shares after the completion of the Debt Capitalisation and the Share Consolidation

("**Adjusted Share(s)**"), assuming the Debt Capitalisation and the Share Consolidation had been completed on 31 March 2025. The details of the Debt Capitalisation and the Share Consolidation are set out in the announcements of the Company dated 16 April 2025 and 25 April 2025 respectively.

4. The calculation of audited consolidated net tangible assets attributable to owners of the Company per Adjusted Share immediately before completion of the Rights Issue is based on the audited consolidated net tangible assets of the Group as at 31 March 2025 of approximately HK$2,931,000, divided by 45,493,000 Adjusted Shares.

5. The calculation of unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Adjusted Share as at 31 March 2025 immediately after completion of the Rights Issue is based on unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company as at 31 March 2025 immediately after completion of the Rights Issue of approximately HK$39,871,000, being the aggregate audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2025 of approximately HK$2,931,000 and the unaudited estimated net proceeds from the Rights Issue of approximately HK$36,940,000, divided by 227,465,000 shares which represents the sum of 45,493,000 Adjusted Shares and 181,972,000 Rights Shares (assuming no new shares are issued and no repurchase of shares on or before the record date) were issued immediately after the completion of the Rights Issue, as if the Rights Issue had been completed on 31 March 2025.

6. Save as disclosed above, no adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2025.

B. ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

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

Infinity CPA Limited
Room 1501, 15th Floor
Olympia Plaza
255 King's Road
North Point, Hong Kong

The Board of Directors of
Hao Bai International (Cayman) Limited

Independent reporting accountants' assurance report on the compilation of unaudited pro forma financial information

We have completed our assurance engagement to report on the compilation of pro forma financial information of Hao Bai International (Cayman) Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at 31 March 2025 and related notes as set out on pages II-1 to II-3 of the circular issued by the Company dated 28 November 2025 (the "**Circular**"). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described in Section A of Appendix II of the Circular.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the proposed rights issue on the basis of four (4) rights shares ("**Rights Share**") for each existing share of the Company at the subscription price of HK$0.21 per rights share (the "**Rights Issue**") on the Group's consolidated financial position as at 31 March 2025 as if the Rights Issue had taken place at 31 March 2025. As part of this process, information about the Group's consolidated financial position has been extracted by the directors of the Company from the Group's consolidated financial statements for the year ended 31 March 2025, on which an annual report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Rules**") and with reference to Accounting Guideline ("**AG**") 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

Our Independence and Quality Management

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

Our firm applies Hong Kong Standard on Quality 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 7.31(7) of the GEM Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

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

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

The purpose of unaudited pro forma financial information included in the Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the Rights Issue 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 Rights Issue at 31 March 2025 would have been as presented.

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

- The unaudited 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 Rights Issue in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

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

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

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

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

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Rules.

Yours faithfully,
Infinity CPA Limited
Certified Public Accountants
Hong Kong

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; (ii) immediately following the completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to and including the Record Date) are as follows:

(a) As at the Latest Practicable Date

		HK$
Authorised:		
10,000,000,000	Shares of HK$0.01 each	100,000,000
Issued and fully paid:		
45,493,000	Shares of HK$0.01 each	454,930

(b) Immediately following completion of the Rights Issue

		HK$
Authorised:		
10,000,000,000	Shares of HK$0.01 each	100,000,000
Issued and fully paid:		
227,465,000	Shares of HK$0.01 each	2,274,650

The Rights Shares, when issued and fully-paid, will be free from all liens, charges, encumbrances and third-party rights, interests or claims of any nature whatsoever and shall rank *pari passu* in all respects with the Shares then in issue, including as to the right to receive all dividends and distributions which may be declared, made or paid on or after the date of allotment of the fully-paid Rights Shares.

As at the Latest Practicable Date, save as the 611,538 outstanding options, the Company did not have any outstanding derivatives, options, warrants and convertible securities or other similar rights which are convertible or exchangeable into Shares and no capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option.

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

The Rights Shares to be issued will be listed on the Stock Exchange. 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 the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

3. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests in the Shares, underlying Shares and debentures of the Company

As at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be maintained pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors.

As at the Latest Practicable Date, no Director or proposed Director is a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(b) Substantial shareholders' interests in the Shares and underlying Shares

To the knowledge of the Directors of the Company, as at the Latest Practicable Date, the following persons (other than the Directors and chief executive of the Company) have the following interests and short positions in the shares and underlying shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required pursuant to section 336 of the SFO to be entered in the register referred to therein.

Name of Shareholder	Capacity/ Nature of Interest	Number of the Shares held/ interested in	Long/short position	Percentage of Shareholding *(Note 2)*
Harmony Asia International Limited	Beneficial owner *(Note 1)*	6,179,550	Long position	13.58%
Mr. Nam Ho Kwan	Interest in controlled corporation *(Note 1)*	6,179,550	Long position	13.58%
Prudential Brokerage Limited	Person having security interest in shares *(Note 1)*	6,179,550	Long position	13.58%
Ms. Leung Yan Fan Youki	Beneficial owner	3,069,000	Long position	6.75%

Notes:

1. Harmony Asia International Limited is a company incorporated in Samoa which is wholly-owned by Mr. Nam Ho Kwan, a former executive Director, the chairman of the Board, and chief executive officer of the Company who resigned from such positions with effect from 5 October 2022. Therefore, Mr. Nam is deemed to be interested in all Shares held by Harmony Asia International Limited by virtue of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). These Share were pledged to Prudential Brokerage Limited on 14 September 2020.

2. The percentage of interest in the Company is calculated by reference to the number of ordinary shares in issue as at the Latest Practicable Date, that is 45,493,000 ordinary shares of the Company.

Save as disclosed above, as at the Latest Practicable Date, to the knowledge of the Directors, no other person (other than the Directors and chief executive of the Company) had any interests or short positions in the shares or underlying shares of the Company which were required to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO or to be recorded in the register referred to in section 336 of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which will not expire or is not determinable by the Group within one year without payment of compensation other than statutory compensation.

5. DIRECTOR'S INTERESTS IN CONTRACTS AND ASSETS OF THE GROUP

As at the Latest Practicable Date, none of the Directors has or had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to member of the Group since 31 March 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

None of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

6. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or controlling shareholders or their respective associates had any business or interest which competes or may compete with the business of the Group, or have or may have any other conflicts of interest with the Group.

7. LITIGATIONS

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claims of material importance and no litigation, arbitration or claims of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

8. EXPERTS AND CONSENTS

The following are the qualifications of the experts or professional advisers who have given opinions or advice which are contained in this circular (the "**Experts**"):

Name	**Qualification**
DL Securities (HK) Limited	a licenced corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Infinity CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, (i) each of the above Experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of its letters or reports and references to its name and/or its advice in the form and context in which they respectively appear; (ii) each of the above Experts was not beneficially interested in any share of any member of the Group nor did it have any right (whether legally enforceable or not) to

subscribe for or to nominate persons to subscribe for securities in any member of the Group; and (iii) each of the above Experts did not have any direct or indirect interest in any assets which have been acquired, or disposed of by, or leased to any member of the Group, or are proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 March 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

9. MATERIAL CONTRACTS

The following 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 the members of the Group during two years preceding the Latest Practicable Date and are or may be material:

(a) the sales and purchase agreement dated 26 January 2024 entered into between Mega Charm International Holdings Limited, a wholly-owned subsidiary of the Company (as purchaser) and Mr. Wong King Man (as vendor) in relation to the acquisition of 15% partnership interests in Wing Keung Co. at a consideration of HK$2,700,000 (the "**Acquisition**");

(b) the supplemental agreement dated 16 February 2024 entered into between Mega Charm International Holdings Limited, a wholly-owned subsidiary of the Company (as purchaser) and Mr. Wong King Man (as vendor) to extend the long stop date of the Acquisition;

(c) the subscription agreement dated 13 August 2024 entered into between the Company (as issuer) and Ms. Leung Yan Fan Youki (as creditor) in relation to the subscription for a total of 22,560,000 then new shares of the Company at the subscription price of HK$0.135 per then share of the Company in settlement of the partial indebted sum of approximately HK$3,045,000;

(d) the subscription agreement dated 22 August 2024 entered into between the Company (as issuer) and two creditors namely Ms. Leung Yan Fan Youki and Ms. Hui Lai Ngar in relation to the subscription for a total of 19,540,000 then new shares of the Company at the subscription price of HK$0.135 per then share of the Company in settlement of the aggregate partial indebted sum of approximately HK$2,637,900;

(e) the subscription agreement dated 5 November 2024 entered into between the Company (as issuer) and three creditors namely Ms. Leung Yan Fan Youki, Ms. Hui Lai Ngar and Ms. Ng On Yi in relation to the subscription for a total of 70,320,000 then new shares of the Company at the subscription price of HK$0.032 per then share of the Company in settlement of the partial indebted sum of approximately HK$2,250,240;

(f) the subscription agreement dated 18 February 2025 entered into between the Company (as issuer) and three creditors namely Ms. Leung Yan Fan Youki, Ms. Hui Lai Ngar and Mr. Lam Chi Yin Henry in relation to the subscription for a total of 33,000,000 then new shares of the Company at the subscription price of HK$0.12 per then share of the Company in settlement of the partial indebted sum of approximately HK$3,960,000;

(g) the factoring agreement dated 27 June 2025 entered into between the Company (as seller) and KNT GT Limited (as purchaser) in relation to the selling of account receivables in the amount of HK$21 million for a without recourse factoring facility of up to HK$18 million; and

(h) the Placing Agreement.

10. CORPORATE INFORMATION

Board of Directors

Executive Directors
Mr. Liu Mingqing
Mr. Ng Wan Lok
Ms. Wong Wing Hung
Mr. Jiang Bin

Independent non-executive Directors
Mr. Yuen Wai Keung
Mr. Cheung Hiu Fung
Mr. Yiu Chi Wai

Audit Committee
Mr. Yuen Wai Keung *(Chairman)*
Mr. Cheung Hiu Fung
Mr. Yiu Chi Wai

Nomination Committee
Mr. Ng Wan Lok *(Chairman)*
Mr. Yuen Wai Keung
Mr. Cheung Hiu Fung
Mr. Yiu Chi Wai

Remuneration Committee
Mr. Yuen Wai Keung *(Chairman)*
Mr. Cheung Hiu Fung
Mr. Yiu Chi Wai

Registered office	Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman, KY1-1111 Cayman Islands
Principal place of business in Hong Kong	Room 210, 2nd Floor Yick Tai Industrial Building 650–652 Castle Peak Road Lai Chi Kok, Kowloon Hong Kong
Principal share registrar and transfer office	**Conyers Trust Company (Cayman) Limited** Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Branch share registrar and transfer office in Hong Kong	**Tricor Investor Services Limited** 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Company secretary	Mr. Lee Kun Yin
Authorised representatives	Mr. Ng Wan Lok Ms. Wong Wing Hung
Business address of Directors and authorised representatives	Room 210, 2nd Floor Yick Tai Industrial Building 650–652 Castle Peak Road Lai Chi Kok, Kowloon Hong Kong
Principal banker	**Nanyang Commercial Bank Limited** 151 Des Voeux Road Central Hong Kong **Hang Seng Bank Limited** 83 Des Voeux Road Central Hong Kong

11. PARTIES INVOLVED IN THE RIGHTS ISSUE

The Company	**Hao Bai International (Cayman) Limited** Room 210, 2nd Floor Yick Tai Industrial Building 650–652 Castle Peak Road Lai Chi Kok, Kowloon Hong Kong
Legal advisers to the Company	*As to Hong Kong law* **ZM lawyers** 20/F, Central 88 Nos. 88–98 Des Voeux Road Central Hong Kong *As to Cayman Islands law* **Conyers Dill & Pearman** 29th Floor One Exchange Square 8 Connaught Place Central Hong Kong
Financial adviser to the Company	**Usmart Securities Limited** Unit 2405–06, 24/F 308 Des Voeux Road Sheung Wan Hong Kong
Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders	**DL Securities (HK) Limited** 29/F Vertical Square 28 Heung Yip Road Wong Chuk Hang Hong Kong
Reporting accountant of the Company	**Infinity CPA Limited** Room 1501, 15/F Olympia Plaza 255 King's Road North Point Hong Kong

Placing Agent	**Cheong Lee Securities Limited** Unit B, 16/F Bank of East Asia Harbour View Center 56 Gloucester Road Wanchai Hong Kong

12. PARTICULARS OF THE DIRECTORS

Executive Directors

Mr. Liu Mingqing ("Mr. Liu"), aged 46, was appointed as the chairman and executive Director of the Company with effect from 22 August 2025. Mr. Liu was appointed as the chief executive officer of King International Investment Limited ("**King International**"), a company listed on the Stock Exchange (Stock Code: 928.hk) between 9 August 2023 and 13 September 2024; an executive Director of King International between 22 August 2023 and 13 September 2024; and the chairman of King International between 18 December 2023 and 13 September 2024 respectively. Mr. Liu has been serving as an executive director of AOM International Group Company Limited, a company listed on the Stock Exchange (Stock Code: 381.hk) since 27 March 2020. Mr. Liu obtained a Master degree in Economics from Tongji University in the People's Republic of China in 2005. Mr. Liu has over 15 years of experience in financial and investment related business and considerable experience in securities and futures, corporate finance, derivative products and other various financial services.

Mr. Ng Wan Lok ("Mr. Ng"), aged 57, was appointed as an executive Director on 8 June 2016. He joined the Group as a marketing manager in March 2014 and is mainly responsible for managing and supervising the operations of projects of the Group. He obtained a post-graduate certificate in Information Technology from the Hong Kong Management Association in September 1994 and further obtained a Bachelor's degree in Computer Science from Victoria University of Technology in November 1996. Mr. Ng has more than 25 years of experience in project management. He had worked in various companies and was responsible for project development, managing manufacturing operation and handling product sales and development. Before joining the Group, Mr. Ng was a Manager of Wellgo Development Limited from August 2007 to February 2014 and he was mainly responsible for handling the trading business of consumer electronics

Ms. Wong Wing Hung ("Ms. Wong"), aged 51, was appointed as an executive Director on 8 June 2016, was re-designated as the chief executive officer of the Company between 5 October 2022 and 1 December 2022 while she was also re-designated as the chairman of the Company between 5 October 2022 and 23 December 2022. Ms. Wong joined the Group as a project administrator in November 2006 and is responsible for project tendering and administration as well as project accounting of the Group. In addition, Ms. Wong was the compliance officer of the Company until 1 April 2024. Ms. Wong obtained a Bachelor's degree in Business Administration from the Open University of

Hong Kong in June 2003. She also completed "ISO 9000:2000 Internal Auditor Training Course" organized by Hong Kong Quality Assurance Agency in November 2001. Ms. Wong has more than 20 years of experience in project tendering, accounting and administration. Before joining the Group, she was project secretary for companies engaged in design and installation of water filtration system. She was a Project Secretary of Dawn Enterprise Limited from February 1998 to August 2002, Assistant to Manager of P&A Engineering Limited from November 2002 to October 2004, Project Secretary of Harmony Project Limited from November 2004 to September 2005 and Project Secretary of Fortune Universe Limited from September 2005 to July 2006.

Mr. Jiang Bin ("Mr. Jiang"), aged 55, was appointed as an executive Director of the Company with effect from 27 October 2025. Mr. Jiang holds a college diploma. Mr. Jiang previously served as a Sales Director at the Mianyang Branch of China Ping An Insurance Company and as the Deputy General Manager of Zhongshang Huaxia Asset Management Co., Ltd., where he has been the General Manager since 2022. Mr. Jiang possesses over 20 years of experience in sales and team management, excelling in customer development and maintenance, with outstanding market insight and negotiation skills. He has successfully led teams to achieve business targets, transitioning smoothly from sales management to comprehensive enterprise operations management.

Independent non-executive Directors

Mr. Yuen Wai Keung ("Mr. Yuen"), aged 45, was appointed as an independent non-executive Director, the chairman of the Audit Committee; the chairman of the Remuneration Committee and a member of the Nomination Committee of the Company, with effect from 18 August 2023. Mr. Yuen has approximately 20 years of audit, accounting and finance related work experience and obtained a Master of Corporate Governance degree from Hong Kong Metropolitan University. He is currently pursuing his master's degree in laws with specialization in international and commercial law from The University of Greenwich. He is a fellow member of the Institute of Financial Accountants, a member of The Institute of Certified Forensic Accountants and a member of The Hong Kong Chartered Governance Institute. Mr. Yuen is the independent non-executive director of Hybrid Kinetic Group Limited (Stock code: 1188) since May 2025 and China Automotive Interior Decoration Holdings Limited (Stock code: 48) since July 2024; and the company secretary of China Jicheng Holdings Limited (Stock code: 1027). Mr. Yuen was until March 2025 the company secretary of GREATER BAY AREA DYNAMIC GROWTH HOLDING LIMITED (Stock code: 1189), until July 2024 the company secretary of Boill Healthcare Holdings Limited (Stock code: 1246) and until July 2024 the company secretary of Jiyi Holdings Limited (Stock code: 1495).

Mr. Cheung Hiu Fung ("Mr. Cheung"), aged 32, was appointed as an independent non-executive Director and member of the Audit Committee of the Company with effect from 23 December 2022. Mr. Cheung was appointed as a member of the Remuneration Committee and Nomination Committee of the Company with effect from 30 September 2024. Mr. Cheung obtained his Master of Business Administration Degree from The

University of Chichester, United Kingdom. Mr. Cheung started his career in writing financial analysis and holding financial seminar as a finance columnist on various social media and newspaper in Hong Kong since January 2015, and founded Bofung Company Limited in July 2017. His financial investment course had over thousand of students. He is also a writer and published his own financial analysis book "財技x盤路倍升股全攻略" in Hong Kong and Taiwan, with more than 2,000 copies sold. Mr. Cheung was appointed as an independent non-executive director of Simplicity Holding Limited (Stock Code: 8367), a company listed on the GEM of the Stock Exchange since 31 March 2023. Mr. Cheung was appointed as an executive director of Goldway Education Group Limited (Stock Code: 8160), a company listed on the GEM of the Stock Exchange between April 2021 and September 2022 while he was also its chairman of the Board between January 2022 and September 2022.

Mr. Yiu Chi Wai ("Mr. Yiu"), aged 40, was appointed as an independent non-executive Director and a member of the Audit Committee; Remuneration Committee and Nomination Committee of the Company, with effect from 4 December 2024. Mr. Yiu has approximately 20 years of finance related work experience from financial services companies and is a SFC Type 1 and 4 license representative. Mr. Yiu has worked as a relationship manager, sales representative and dealer at the financial services companies previously.

Company Secretary

Mr. Lee Kun Yin was appointed as the chief financial officer and company secretary of the Company on 15 July 2021 pursuant to Rule 5.14 of the GEM Listing Rules. Mr. Lee qualified as a chartered accountant from the Big 4 firms in Sydney, Australia while he previously managed the Asia Pacific commission sales and client strategy business in equities for Credit Suisse and Standard Chartered Bank in Hong Kong. Mr. Lee also established and managed the business process outsourcing (BPO) business for Accenture in Hong Kong. Mr. Lee holds a Master of Commerce Degree from The University of New South Wales, Bachelor of Commerce and Bachelor of Arts Degrees from The University of Melbourne. Mr. Lee is a member of both the Chartered Accountants in Australia & New Zealand and Hong Kong Institute of Certified Public Accountants.

13. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board (the "**Audit Committee**") comprised all of the independent non-executive Directors, namely Mr. Yuen Wai Keung (the Chairman of the Audit Committee), Mr. Cheung Hiu Fung and Mr. Yiu Chi Wai. The background, directorship and past directorship (if any) of each of the members of the Audit Committee are set out in the section headed "12. Particulars of the Directors" in this appendix. The Audit Committee is responsible for reviewing accounting policies and practices adopted by the Group. It also reviews and discusses matters related to the effectiveness of financial reporting, internal control and audit, and performs other duties as assigned by the Board, and reports its work, findings and recommendations to the Board after each meeting in respect of the

above matters as well as the operating risks faced by the Group. The Audit Committee has to recommend the appointment, reappointment and removal, approve the remuneration and terms of engagement, review and monitor the independence, objectivity, resignation and dismissal of the external auditor, and maintain sufficient communication and discuss the nature and scope of the audit with the external auditor.

14. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, placing commission (assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and the placing of all Unsubscribed Rights Shares and the ES Unsold Rights by the Placing Agent), printing, registration, translation, legal and accountancy charges are estimated to be approximately HK$1.27 million, which are payable by the Company.

15. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (https://www.irasia.com/listco/hk/haobai/) for 14 days from the date of this circular:

(a) the annual reports of the Company for each of the three financial years ended 31 March 2023, 2024 and 2025;

(b) the letter from the Board, the text of which is set out on pages 11 to 33 of this circular;

(c) the letter from the Independent Board Committee, the text of which is set out on page 34 of this circular;

(d) the letter from the Independent Financial Adviser, the text of which is set out on pages 35 to 61 of this circular;

(e) the letter issued by the reporting accountants regarding the unaudited pro forma financial information of the Group as set out in Appendix II to this circular;

(f) the material contracts referred to in the paragraph headed "9. Material contracts" of this appendix; and

(g) the written consents from the Experts referred to in the paragraph headed "8. Experts and Consents" of this appendix.

16. MISCELLANEOUS

(a) As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.

(b) Since the Company's business activities are mainly operated in Hong Kong and PRC, and the relevant transactions are denominated in HK$ and RMB, the Directors consider that the Company's risk in foreign exchange is insignificant. As at the Latest Practicable Date, the Group did not engage in any derivatives agreements nor commit to any financial instrument to hedge its foreign exchange exposure. Therefore, the Group had no significant exposure to foreign exchange liabilities.

(c) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

HAO BAI INTERNATIONAL (CAYMAN) LIMITED
浩柏國際（開曼）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8431)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**Meeting**") of Hao Bai International (Cayman) Limited (the "**Company**") will be held at Room 210, 2nd Floor, Yick Tai Industrial Building, 650–652 Castle Peak Road, Lai Chi Kok, Kowloon, Hong Kong on Thursday, 18 December 2025 at 2:30 p.m. to consider and, if thought fit, approve, with or without modifications, the following resolutions:

ORDINARY RESOLUTION

"**THAT** subject to and conditional upon the the fulfilment 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 28 November 2025:

(i) the issue of a maximum of 181,972,000 new Shares (assuming no further issue and repurchase of the shares of the Company up to the Record Date (as defined below)) (the "**Rights Shares**") pursuant to an offer by way of rights to the shareholders of the Company (the "**Shareholders**") at the subscription price of HK$0.21 per Rights Share (the "**Subscription Price**") on the basis of four (4) Rights Shares for every one (1) existing Share held by the Shareholders (the "**Qualifying Shareholders**") whose names appear on the register of members of the Company on Friday, 2 January 2026, or such other date as may be determined by the Company for determining entitlements of the Shareholders to participate in the Rights Issue (as defined below) (the "**Record Date**"), save for the Shareholders whose addresses as of the Record Date are outside of Hong Kong (if any) to whom the Directors, based on legal opinions to be provided by the legal advisers to the Company, consider it necessary or expedient not to offer the Rights Shares on account either of the legal restrictions under the laws of the relevant place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s) (the "**Excluded Shareholders**"), and on and subject to such terms and conditions as may be determined by the Directors (the "**Rights Issue**"), and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;

(ii) the placing agreement dated 9 October 2025 (the "**Placing Agreement**") entered into between the Company and Cheong Lee Securities Limited (a copy of which has been produced to the Meeting marked "A" and signed by the chairman of the Meeting for the purpose of identification), in relation to the placing of the Rights Shares not subscribed by the Qualifying Shareholders and/or the Rights Share(s) which would otherwise has/have been provisionally allotted to the Excluded Shareholder(s) in

nil-paid form that has/have not been sold by the Company at the placing price of not less than the Subscription Price on a best effort basis, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

(iii) the board of Directors or a committee thereof be and is hereby authorised to allot and issue the Rights Shares pursuant to or in connection with the Rights Issue notwithstanding that the Rights Shares may be offered, allotted or issued otherwise than pro rata to the Qualifying Shareholders and, in particular, any Directors be and is hereby authorised to make such exclusions or other arrangements in relation to any Excluded Shareholders, and to do all such acts and things or make such arrangements as he/she considers necessary, desirable or expedient having regard any restrictions under the Articles 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 to give effect to any or all other transactions contemplated in this resolution; and

(iv) any one of the Directors be and are hereby authorised to do all such acts and things and execute and deliver all such documents, which are ancillary to the Rights Issue and the Placing Agreement, on behalf of the Company, including under common seal where applicable, as they may consider necessary, desirable or expedient to implement or give effect to any matters in connection with the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder."

For and on behalf of the Board
Hao Bai International (Cayman) Limited
Liu Mingqing
Chairman and Executive Director

Hong Kong, 28 November 2025

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

Principal Place of Business in Hong Kong:
Room 210, 2nd Floor
Yick Tai Industrial Building
650–652 Castle Peak Road
Lai Chi Kok, Kowloon
Hong Kong

Notes:

(i) Any member of the Company (the "**Member**") entitled to attend and vote at the Meeting or its adjourned meeting (as the case may be) is entitled to appoint one or more proxies (if such member is the holder of two or more shares in the Company) to attend and, on a poll, vote on his/her/its behalf subject to the provisions of the bye-laws of the Company. A proxy need not be a Member but must be present in person at the Meeting to represent the Member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.

(ii) Where there are joint holders of any share of the Company, any one of such joint holders may vote at the Meeting or its adjourned meeting, either in person or by proxy, in respect of such share as if he/ she were solely entitled thereto, but if more than one of such joint holders be present at any meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.

(iii) A form of proxy for use at the Meeting or its adjourned meeting is enclosed.

(iv) To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event, not later than 2:30 p.m. on Tuesday, 16 December 2025 or not less than 48 hours before the time appointed for holding any adjourned meeting. Completion and return of the form of proxy will not preclude a Member from attending and voting in person at the Meeting or its adjourned meeting and in such event, the form of proxy shall be deemed to be revoked.

(v) For determining the Members' entitlement to attend and vote at the Meeting, the register of Members will be closed from Friday, 12 December 2025 to Thursday, 18 December 2025 (both days inclusive), during which period no transfer of shares of the Company will be effected. In order to qualify for attending and voting at the forthcoming Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 11 December 2025.

(vi) The voting at the Meeting or its adjourned Meeting will be taken by poll.

(vii) If tropical cyclone warning signal No. 8 or above, or a "black" rainstorm warning or "extreme conditions after super typhoons" announced by the Government of Hong Kong is/are in effect any time after 7:00 a.m. on the date of the Meeting, the Meeting will be postponed. The Company will post an announcement on the website of the Company at https://www.irasia.com/listco/hk/haobai/ and on the website of the Stock Exchange at www.hkexnews.hk to notify the Shareholders of the date, time and place of the re-scheduled Meeting.

If a tropical cyclone warning signal No. 8 or above or a "black" rainstorm warning signal is lowered or cancelled at or before 7:00 a.m. on the date of the Meeting and where conditions permit, the Meeting will be held as scheduled.

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

As at the date of this notice, the Directors are:

Executive Directors:
Liu Mingqing *(Chairman)*
Ng Wan Lok
Wong Wing Hung
Jiang Bin

Independent non-executive Directors:
Yuen Wai Keung
Cheung Hiu Fung
Yiu Chi Wai