
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Zhongshi Minan Holdings Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or 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 appears for information only and does not constitute an invitation or offer to Shareholders or any other persons to acquire, purchase, or subscribe for securities of the Company.



Zhongshi Minan Holdings Limited 中食民安控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8283)

**(I) PROPOSED RIGHTS ISSUE ON THE BASIS OF
FIVE (5) RIGHTS SHARE FOR EVERY ONE (1) SHARE
HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS;
(II) CHANGE IN BOARD LOT SIZE;
(III) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
(IV) PROPOSED TERMINATION OF EXISTING SHARE OPTION SCHEME
AND ADOPTION OF NEW SHARE OPTION SCHEME;
AND
(V) NOTICE OF EXTRAORDINARY GENERAL MEETING**

Financial adviser to the Company

uSMART Securities

盈立證券

Placing Agent



Yuet Sheung International Securities Limited

**Independent Financial Adviser to
the Independent Board Committee and Independent Shareholders**



SOMERLEY CAPITAL LIMITED

A letter from the Board is set out on pages 12 to 48 of this circular and a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 49 to 50 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 51 to 83 of this circular.

It should be noted that the Shares will be dealt in on an ex-rights 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/their own professional advisers.

A notice convening an extraordinary general meeting of the Company to be held at Conference Room, 3/F., Building 58, No. 1, Jing Hai Wu Road, Beijing City, the PRC on Thursday, 18 December 2025 at 11:00 a.m. is set out on pages EGM-1 to EGM-5 of this circular. Whether or not you are able to attend the extraordinary general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours (i.e. 11:00 a.m. on Tuesday, 16 December 2025) before the time appointed for holding the extraordinary general meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the extraordinary general meeting or any adjourned meeting thereof should you so desire and in such event, the form of proxy shall be deemed to be revoked.

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. 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. In the event that the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders or holders of nil-paid Rights Shares together with the ES Unsold Rights Shares will be placed to independent placees on a best effort basis 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.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled.

28 November 2025

CHARACTERISTICS OF GEM

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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DEFINITIONS

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

“2016 Share Option Scheme”	the existing share option scheme of the Company adopted on 10 August 2015, which will expire on 10 August 2025
“2025 Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the EGM, the principal terms of which are set out in Appendix IV to this circular
“Acceptance Date”	the date upon which an offer for an Option must be accepted by the relevant Eligible Participant, being a date not later than 30 days after the Offer Date
“Adoption Date”	the date (which is expected to be the date of the EGM) on which the 2025 Share Option Scheme is conditionally adopted by ordinary resolutions to be passed by the Shareholders at the EGM
“Announcements”	the announcement of the Company dated 4 November 2025 and 28 November 2025 in relation to, among other things, the Rights Issue and the Placing and the Change in Board Lot Size
“Articles”	the articles of association of the Company
“Articles of Association”	the articles of association of the Company (as amended from time to time)
“associate(s)”	has the meaning as defined in the GEM Listing Rules
“associate(s)” or “close associate(s)”	has the meaning as defined under the GEM Listing Rules
“Auditors”	means the auditors for the time being of the Company
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and Sunday and public holiday) on which licensed banks in Hong Kong are open for general business

DEFINITIONS

“Cayman Companies Act”	the Companies Act (2021 Revision), formerly known as the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as amended, supplemented or otherwise modified from time to time
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 1,000 Shares to 5,000 Shares
“close associate(s)”	has the meaning as defined in the GEM Listing Rules
“Company”	Zhongshi Minan Holdings Limited (中食民安控股有限公司), a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the Stock Exchange (stock code: 8283)
“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 as defined in the GEM Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“core connected person(s)”	has the meaning as defined in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Conference Room, 3/F., Building 58, No. 1, Jing Hai Wu Road, Beijing City, the PRC on Thursday, 18 December 2025 at 11:00 a.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the extraordinary general meeting which is set out on pages EGM-1 to EGM-5 of this circular, or any adjournment thereof

DEFINITIONS

“Eligible Participant(s)”	any persons who are eligible to participate in the 2025 Share Option Scheme, being any (a) Employee Participant(s), and (b) Related Entity Participant(s)
“Employee Participant(s)”	the director(s) (including non-executive Directors and independent non-executive Directors) and employee(s) (whether full-time or part-time) of any member of the Group (including persons who are granted Options under the 2025 Share Option Scheme as inducement to enter into employment contracts with any member of the Group)
“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
“Exercise Price”	the price per Share, determined by the Board, at which a Grantee may subscribe for Shares on the exercise of an Option
“Expiry Date”	in respect of an Option, the date of the expiry of the Option as may be determined by the Board which shall not be later than the last day of the Option Period in respect of such Option
“GEM”	GEM of the Stock Exchange
“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
“Grantee”	any Eligible Participant who accepts the offer of the grant of an Option

DEFINITIONS

“Group”	the Company and its subsidiaries, and “members of the Group” shall mean the Company and/or any of its subsidiary(ies)
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Increase in Authorised Share Capital”	the proposed increase in authorised share capital of the Company from HK\$20,000,000 divided into 160,000,000 Shares to HK\$200,000,000 divided into 1,600,000,000 Shares by the creation of an additional 1,440,000,000 Shares
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, which has been established to make recommendations to the Independent Shareholders in respect of the terms of the Rights Issue
“Independent Financial Adviser”	Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders
“Independent Shareholder(s)”	any Shareholder(s) who are not required to abstain from voting at the EGM under the GEM Listing Rules
“Last Trading Day”	4 November 2025, being the last trading day of the Shares on the Stock Exchange immediately prior to the release of the Announcement
“Latest Practicable Date”	25 November 2025, being the latest practicable date for ascertaining certain information contained in this circular
“Latest Time for Acceptance”	4:00 p.m. on Monday, 19 January 2026, being the latest time for acceptance of the offer of and payment for the Rights Shares
“Mr. Wang”	Mr. WANG Lei

DEFINITIONS

“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 Shareholder”	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed, and/or the Excluded Shareholders (if any)
“Offer Date”	in respect of an offer, the date on which an Option is offered in writing to an Eligible Participant which must be a Business Day
“Offer Letter”	a letter setting out the terms of the offer given by the Company to the Eligible Participant in accordance with the Scheme Rules of the 2025 Share Option Scheme
“Option(s)”	any option(s) to be granted to Eligible Participant(s) to subscribe for Shares granted pursuant to the 2025 Share Option Scheme
“Option Period”	in respect of an Option, the period to be notified by the Board to each Grantee in the Offer Letter within which the Option may be exercised subject to the terms thereof, provided that such period shall not exceed a period of 10 years commencing on the Offer Date
“Overseas Shareholders”	Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue

DEFINITIONS

“Personal Representative(s)”	a person or persons who, in accordance with the laws of succession applicable in respect of the death of such Grantee is or are entitled to exercise the Option accepted by such Grantee (to the extent not already exercised) in consequence of the death of such Grantee
“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 not be the Shareholder(s) and 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”	Yuet Sheung Securities Limited, a licensed corporation to carry out business in Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 4 November 2025 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing End Date”	Tuesday, 3 February 2026
“Placing Long Stop Date”	4:10 p.m. on Wednesday, 4 February 2026
“Placing Period”	the period commencing from Wednesday, 28 January 2026 and ending at 6:00 p.m. on Tuesday, 3 February 2026
“PRC”	the People’s Republic of China, and 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 to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus and PAL

DEFINITIONS

“Prospectus Posting Date”	Monday, 5 January 2026 or such other date as may be determined by the Company, being the date on 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(s) on the register of members of the Company on the Record Date, other than the Excluded Shareholder(s)
“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
“Related Entity Participant(s)”	director(s) and employee(s) of the holding companies, fellow subsidiaries or associated companies of the Company
“Rights Issue”	the proposed issue by way of rights on the basis of five (5) Rights Shares for every one (1) Share held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Prospectus Documents
“Rights Share(s)”	up to 288,000,000 Shares (assuming no change in the number of Existing Shares in issue on or before the Record Date) to be allotted and issued pursuant to the Rights Issue
“S\$”	Singapore dollars, the lawful currency of Singapore
“Scheme Limit”	has the meaning ascribed to it under the 2025 Share Option Scheme as disclosed in Appendix IV to this circular
“Scheme Rules”	the terms and conditions of the 2025 Share Option Scheme
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share(s)”	ordinary share(s) of par value of HK\$0.125 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.35 per Rights Share
“substantial shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Termination Date”	close of business of the Company on the date which falls ten (10) years after the Adoption Date
“Unsubscribed Rights Shares”	the Rights Shares that are not subscribed by the Qualifying Shareholders or holders of nil-paid rights
“%”	per cent.

EXPECTED TIMETABLE

The expected timetable for the Rights Issue set out below is indicative only and has been prepared on the assumption that the Rights Issue will be approved by the Independent Shareholders at the EGM. The expected timetable is subject to change, and any such change will be announced in a separate announcement by the Company as and when appropriate.

Events	Time and date
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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
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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
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Latest date and time for lodging the proxy form for the EGM	11:00 a.m. on Tuesday, 16 December 2025
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Record date for determining entitlements to attend and vote at the EGM	Thursday, 18 December 2025
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Expected date and time of the EGM to approve the Rights Issue	11:00 a.m. on Thursday, 18 December 2025
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Publication of announcement of poll results of the EGM	Thursday, 18 December 2025
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Re-opening of the register of members of the Company	Friday, 19 December 2025
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The following events are conditional upon the results of the EGM and therefore the dates are tentative only.

Last day of dealings in the Shares on a cum-rights basis	Friday, 19 December 2025
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First day of dealings in the Shares on an ex-rights basis relating to the Rights Issue.....	Monday, 22 December 2025
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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
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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
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Record Date for determining entitlements for the Rights Issue	Friday, 2 January 2026
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EXPECTED TIMETABLE

Events	Time and date
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
Designated broker starts to stand in the market to provide matching services for odd lots of Shares	9:00 a.m. on Wednesday, 7 January 2026
Effective date of the change in board lot size from 1,000 Shares to 5,000 Shares	Wednesday, 7 January 2026
First day of dealings in nil-paid Rights Shares in the board lot size of 5,000 Rights Shares	Wednesday, 7 January 2026
Latest time for splitting the PALs	4:30 p.m. on Friday, 9 January 2026
Last day of dealings in nil-paid Rights Shares in the board lot size of 5,000 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	Monday, 26 January 2026
Designated broker ceases to stand in the market to provide matching services for odd lots of Shares	4:00 p.m. on Tuesday, 27 January 2026
Commencement of the Placing Period (if there are any Unsubscribed Rights Shares and ES Unsold Rights Shares available)	Wednesday, 28 January 2026
Latest time for placing of Unsubscribed Rights Shares and ES Unsold Rights Shares (if any)	6:00 p.m. on Tuesday, 3 February 2026
Latest time for the Rights Issue and the Placing to become unconditional	4:10 p.m. on Wednesday, 4 February 2026

EXPECTED TIMETABLE

Events	Time and date
Rights Issue Settlement Date and Placing completion date	Tuesday, 10 February 2026
Announcement of the results of the Rights Issue (including the results of the Placing and the Net Gain)	Wednesday, 11 February 2026
Despatch of share certificates of fully-paid Rights Shares or refund cheques, if any (if the Rights Issue is terminated).	Thursday, 12 February 2026
First day of dealings in fully-paid Rights Shares commence	Friday, 13 February 2026
Designated broker commences to provide matching services for odd lots of Shares	Friday, 13 February 2026
Payment of Net Gain to relevant No Action Shareholders (if any) or Excluded Shareholders (if any).	Friday, 27 February 2026
Designated broker ceases to provide matching services for odd lots of Shares	Wednesday, 4 March 2026

Note: All times and dates in this timetable refer to Hong Kong local times and dates. In the event that any special circumstances arise, such dates and deadlines may be adjusted by the Board if it considers appropriate. Any changes to the expected timetable will be published or notified to the Shareholders by way of announcement(s) on the website of the Stock Exchange and on the website of the Company as and when appropriate.

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.

LETTER FROM THE BOARD



Zhongshi Minan Holdings Limited

中食民安控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8283)

Executive Directors:

Mr. WANG Lei

Mr. CHUA Boon Hou (CAI Wenhao)

Ms. WU Mengmeng

Non-executive Director:

Mr. LI Xiaodong

Independent non-executive Directors:

Mr. CHEN Huichun

Mr. GAO Yan

Mr. WU Guoyong

Registered office:

Windward 3, Regatta Office Park

P.O. Box 1350

Grand Cayman KY1-1108

Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Room E, 15th Floor

Leahander Centre

28 Wang Wo Tsai Street

Tsuen Wan, New Territories

Hong Kong

28 November 2025

To the Shareholders

Dear Sir or Madam,

- (I) PROPOSED RIGHTS ISSUE ON THE BASIS OF
FIVE (5) RIGHTS SHARE FOR EVERY ONE (1) SHARE
HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS;
(II) CHANGE IN BOARD LOT SIZE;
(III) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
(IV) PROPOSED TERMINATION OF EXISTING SHARE OPTION SCHEME
AND ADOPTION OF NEW SHARE OPTION SCHEME;
AND
(V) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcements in relation to, among other things, the Rights Issue and the Placing Agreement, the Change In Board Lot Size and the Increase in Authorised Share Capital.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) further details of the Rights Issue, the Placing Agreement, the Change in Board Lot Size, the Increase in Authorised Share Capital and the respective transactions contemplated thereunder; (ii) the recommendation of 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 on the Rights Issue; (iv) the proposed termination of the 2016 Share Option Scheme and the adoption of the 2025 Share Option Scheme; (v) other information required under the GEM Listing Rules; and (vi) a notice convening the EGM.

PROPOSED RIGHTS ISSUE

The Company proposes to conduct the Rights Issue on the basis of five (5) Rights Shares for every one (1) existing Share held on the Record Date at the Subscription Price of HK\$0.35 per Rights Share, to raise up to HK\$100.80 million before expenses by way of issuing up to 288,000,000 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:	Five (5) Rights Shares for every one (1) Share held by at the close of business on the Record Date
Subscription Price:	HK\$0.35 per Rights Share
Number of Existing Shares in issue as at the Latest Practicable Date:	57,600,000 Shares
Number of Rights Shares:	Up to 288,000,000 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 pursuant to the terms of the proposed Rights Issue represents (i) 500% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 83.33% 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\$36,000,000 (assuming no change in the number of Shares in issue on or before the Record Date)

LETTER FROM THE BOARD

Number of Shares in issue as enlarged by the allotment and issue of the Rights Shares:	Up to 345,600,000 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\$100.80 million
Net proceeds from the Rights Issue:	Up to approximately HK\$96.97 million
Net price (i.e. Subscription Price less cost and expenses incurred in the Rights Issue):	Approximately HK\$0.337 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:	<p>Any Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements.</p> <p>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.</p>

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.

LETTER FROM THE BOARD

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 date of this circular, 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\$0.35 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 27.84% to the closing price of HK\$0.485 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 23.91% to the closing price of HK\$0.460 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 25.69% to the average of the closing prices of approximately HK\$0.471 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 25.69% to the average of the closing prices of approximately HK\$0.471 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 4.89% to the theoretical ex-rights price of approximately HK\$0.368 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.460 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 21.67% 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\$0.371 per Share and the benchmarked price of approximately HK\$0.473 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\$0.460 per

LETTER FROM THE BOARD

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\$0.473 per Share); and

- (vii) a discount of approximately 64.68% to the consolidated net asset value per Share of approximately HK\$0.991 (based on the latest published consolidated net asset value of the Company of S\$9,512,000 (equivalent to approximately HK\$57,072,000) as at 31 March 2025 and 57,600,000 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.

The recent closing price of the Shares for the three months period preceding the Last Trading Day (the “**Reference Period**”) had been experiencing a substantial decline from highest price of HK\$0.76 per Share on 4 August 2025 downed to HK\$0.415 per Share on 20 August 2025. Despite a short rebound of Shares price in late August 2025, the market price of the Shares has been showing a fluctuating downward trend and continued to stay at a relatively low level and fluctuated between HK\$0.46 each and HK\$0.56 each up to the Last Trading Day. In addition, the trading volume of the Shares during the Reference Period was considered thin, the average daily trading volume during the Reference Period amounted to less than 1% of the total number of existing issued Shares. The Subscription Price was determined at an attractive discount to the prevailing closing prices and the benchmarked price of the Shares under GEM Rule 10.44A aiming at lowering the further investment cost of the Shareholders so as to encourage them to take up their entitlements to maintain their shareholdings in the Company.

The Directors noted that the Subscription Price represents a discount of approximately 64.68% to the consolidated net asset value per Share attributable to owners of the Company as at 31 March 2025. Since it was also noted that the Shares had been continuously traded at a worsening discount to the consolidated net assets attributable to owners of the Company per Share during the Reference Period, the Directors consider that net asset value per Share is not a meaningful benchmark to assess the Subscription Price, instead, the prevailing market price of the Shares would be a more appropriate reference in determining the Subscription Price in this regard.

In light of the above, in particular, an attractive discount is needed to encourage existing Shareholders to participate in the Rights Issue, the Directors consider that the terms of the Rights Issue, including the Subscription Price, are fair, reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Other securities of the Company

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

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.

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As at the Latest Practicable Date, there are 296 Overseas Shareholder with registered address situated in the PRC who are interested in 11,036,000 Shares in aggregate, representing approximately 19.16% of the total issued share capital of the Company. In the meantime, the Company has sought legal advice in respect of extending the issue of the Rights Shares to the Overseas Shareholders.

In compliance with Rule 17.41(1) of the GEM Listing Rules, the Company has made enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholder. The Company has been advised by the legal advisers in the PRC that, under the applicable legislations of the PRC, there is (i) no legal restriction or requirement of any regulatory body or stock exchange with respect to extending the Rights Issue to the Overseas Shareholders in the PRC; and (ii) in relation to the Rights Issue, there is no requirement under the relevant applicable legislations of the PRC requiring the prior approval and or registration of the Prospectus with the relevant regulatory authorities under the applicable laws of the PRC. Accordingly, the Rights Issue is extended to the Overseas Shareholders having registered addresses in the PRC, and such Overseas Shareholders are regarded as the Qualifying Shareholders.

The Company will continue to ascertain whether there are any other Overseas Shareholders (other than the aforesaid) as at the Record Date and, if applicable, will make further enquiries with legal advisers in other overseas jurisdictions regarding the feasibility of extending the Rights Issue to such Overseas Shareholder (if any) as at the Record Date.

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.

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 five (5) Rights Shares for every one (1) Shares 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.

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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

No fractional entitlements to the Rights Shares shall be issued to the Shareholders and no entitlements of the Excluded Shareholders to the Rights Shares shall be issued to the Excluded Shareholders. All fractions of the Rights Shares shall be rounded down to the nearest whole number of Rights Shares and aggregated and, if a premium (net of expenses) can be achieved, sold in the market by the Company.

Odd lot arrangement in respect of the Rights Issue

In order to facilitate the trading of odd lots of the Shares arising from the Rights Issue, the Company has appointed Yuet Sheung International Securities Limited as a designated broker to provide a matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Shares to make up a full board lot, or to dispose of their holding of odd lots of the Shares during the period from 9:00 a.m. on Friday, 13 February 2026 to 4:00 p.m. on Wednesday, 4 March 2026. Shareholders who wish to take advantage of this facility should contact Ms. Mona Wong of Yuet Sheung International Securities Limited at Unit 2704, 27/F, Shun Tak Centre, West Tower, 168–200 Connaught Road Central, Sheung Wan., Hong Kong or at telephone number (852) 2898 4333 from 9:00 a.m. on Friday, 13 February 2026 to 4:00 p.m. on Wednesday, 4 March 2026 (both dates inclusive). Holders of odd lots of the Shares should note that the matching of the sale and purchase of odd lots of the Shares is not guaranteed. Any Shareholder who is in any doubt about the odd lots arrangements is recommended to consult his/her/its own professional advisers.

Status of the Rights Shares

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

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 Thursday, 12 February 2026. If the Rights Issue does not become unconditional, refund cheques are expected to be posted on or before Thursday, 12 February 2026 by ordinary post, at the respective Shareholders' own risk, to their registered addresses.

LETTER FROM THE BOARD

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 4 November 2025, 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 and Excluded 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 Tuesday, 3 February 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.

LETTER FROM THE BOARD

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

Principal terms of the Placing Agreement are summarised as follows:

Date:	4 November 2025
Issuer:	The Company
Placing Agent:	Yuet Sheung International Securities Limited

The Placing Agent confirms that it and its ultimate beneficial owner(s) are Independent Third Parties.

Placing Period:	The period commencing from Wednesday, 28 January 2026 and ending at 6:00 p.m. on Tuesday, 3 February 2026 or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Placing
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Commission:	Subject to completion of the Placing taking place, the Company shall pay a placing commission in Hong Kong Dollars, of 2.5% of the actual gross proceeds from the subscription of the Unsubscribed Rights Shares and the ES Unsold Rights Shares under the Placing
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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.
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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.
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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, among others, 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 (subject to customary conditions) and such approval not having been withdrawn or revoked;
- (ii) the Increase in Authorised Share Capital having become effective;
- (iii) the passing of all necessary resolutions to be proposed at the EGM to be convened to consider and, approve, among others, the Rights Issue, the Increase in Authorised Share Capital and the transactions contemplated thereunder;
- (iv) 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;

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- (v) 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
- (vi) the Placing Agreement not having been terminated 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 Wednesday, 4 February 2026 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.

As at the Latest Practicable Date, save for conditions (i), (ii), (iii) and (v), all of the above conditions have been fulfilled.

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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 prior to 8:00 a.m. on the Placing Long Stop Date 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

LETTER FROM THE BOARD

- (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.

LETTER FROM THE BOARD

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 and the Excluded 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 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 HKSCC and HKSCC Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

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.

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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. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Rights Shares in both their nil-paid and fully-paid form.

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 Increase in Authorised Share Capital having become effective;
- (c) 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;
- (d) 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;
- (e) 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;
- (f) the Placing Agreement not having been terminated in accordance with the provisions thereof, including force majeure events; and
- (g) compliance with the requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands.

LETTER FROM THE BOARD

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 above conditions has been fulfilled.

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 the conditions of the Rights Issue set forth above. In the event that the Rights Issue is not fully subscribed and provided the Placing Agreement has not been terminated in accordance with the provisions thereof, any Rights Shares not taken up by the Qualifying Shareholders or holders of nil-paid Rights Shares together with the ES Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements. In the event of any Unsubscribed Rights Shares or ES Unsold Rights Shares which are not placed under the Compensatory Arrangements, the Rights Issue will continue to proceed but such Unsubscribed Rights Shares or ES Unsold Rights Shares will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Meanwhile, in the event that the Rights Issue is not fully subscribed and the Placing Agreement is terminated for whatever reasons, the Rights Issue will not proceed.

For the avoidance of doubt, given the Placing will be proceeded on a best effort basis, there is no guarantee that all the Unsubscribed Rights Shares or ES Unsold Rights Shares could eventually be successfully placed by the Placing Agent.

CLOSURE OF REGISTER OF MEMBERS FOR EGM

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 Shareholders' entitlements to attend and vote at the EGM. No transfer of Shares will be registered during the above book closure period.

CLOSURE OF REGISTER OF MEMBERS FOR RIGHTS ISSUE

The register of members of the Company will be closed from Wednesday, 24 December 2025 to Friday, 2 January 2026 (both dates inclusive) for determining the Shareholders' entitlements to the Rights Issue. No transfer of Shares will be registered during the above book closure period.

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

The Company is an investment holding company. The Company's subsidiaries are principally engaged in the passenger car service industry and offer a comprehensive range of passenger car services including: (1) maintenance and repair of services; (2) modification, tuning and grooming services and trading of spare parts, accessories and passenger cars; (3) provision of motor finance services; and (4) development, manufacturing and sale of ready-made food and smart kitchen solutions.

LETTER FROM THE BOARD

Refining sales and marketing strategies for the Group's existing businesses while exploring second revenue growth curve

The Company recognised that following the backdrop of evolving market conditions and the increasing prevalence of technology, consumer purchase preferences are highly influenced by the mass adoption of online digital promotion and sales platforms like “Taobao”, “Xiaohongshu” and “TikTok” etc. (the “**High Traffic Sales and Marketing Digital Platforms**”) as well as the innovative sales and marketing tactics of retailers and advertising service providers leveraging on these platforms. The Group must adapt to the ever-changing market environment by developing its own innovative sales and marketing strategies. As such, the Group is currently planning to build its internal digital marketing unit. The marketing unit will leverage on the High Traffic Sales and Marketing Digital Platforms to produce its own content, live streaming advertisements and operational services to showcase the Group's services and products of the Group's automotive and related business and the ready-made food and smart kitchen solutions business to wide pool of potential customers as well as co-operate with suitable scenic spots, hotels and restaurants to launch embedded contextual experience activities for the Group's products, with an aim to drive traffic streams, new customer engagement scenarios, and eventually contribute new revenue channels for the Group's automotive and related business and the ready-made food and smart kitchen solutions business.

The core strategy of the Group is a dual-driver approach, meaning on one hand, co-operate with suitable partners to deeply embedding existing principal businesses such as automotive services, pre-made food and smart appliance solutions into local living scenarios both in the form of offline and online activities as above-mentioned, to explore new traffic and revenue sources for the Group's existing products and services.

On the other hand, leveraging on the future development of the digital marketing capabilities, the Group aims to provide content, live streaming, and operational services for potential customers in future, thereby opening up a potential new business which may potentially generate a second revenue growth curve and building a robust brand and data moat for the Group.

Details of the potential new digital marketing business (the “Potential Digital Marketing Business”)

The operation, relevant infrastructure and the revenue model and development plan

The Group's Potential Digital Marketing Business will be principally engaged in (i) the provision of online content, live streaming marketing for potential customers; and (ii) co-operate with potential customers by integrating existing resources of potential customers and the marketing strategies and solutions formulated by the Group to provide potential customers with practical, value-added life scenarios application, thereby increasing potential customers' pricing power for its products and services and increase sales, and the Group will share a certain portion of the potential customer's income as revenue. The Group has initially targeted to commence the Potential Digital Marketing Business in the business market of cultural tourism industry, hotel

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industry and the travel retail trade industry. Subject to the future business development of the Potential Digital Marketing Business, the Group will expand the business scope of the Potential Digital Marketing Business into other business industries.

To commence the Potential Digital Marketing Business, the Group plans to establish a technology research and development center and creative marketing and advertising department, whereby the Group plans to invest in the research and development of building the Group's own platform and artificial intelligence technology, big data center and software and to establish a team of 20–30 specialists to manage and operate the Potential Digital Marketing Business. The Company expects the establishment of the technology research and development center and the marketing and advertising department will be gradually achieved by third quarter of 2026.

Sourcing of customers

The Group will source potential client via (i) the business network from the management of the Company; (ii) the effort from sales team to be recruited by the Group upon completion of the Rights Issue; (iii) deploy live-streaming advertisement and content via High Traffic Sales and Marketing Digital Platforms to enhance public awareness of the Potential Digital Marketing Business. The Group will also engage appropriate business agents to refer potential customers to the Group.

Expertise, scale of manpower required and monitoring of the Potential Digital Marketing Business

The development and management of the refined sales and marketing strategies will be led and monitored by the experts of the Board in online technologies and electronic commerce namely Mr. Wang Lei and Ms. Wu Mengmeng.

Mr. Wang Lei has over 10 years of extensive management experience in companies engaged with online and technology businesses. From 2014 to 2015, he was the chief executive officer of Beijing Qiuyouquan Technology Company Limited* (北京球友圈網路科技有限責任公司), mainly responsible for promoting online booking systems with respect to different sports activities. During the period from 2016 to 2017, Mr. Wang was the director of the car sharing department of Beijing Electric Vehicle Co., Ltd.* (北京新能源汽車股份有限公司) and was responsible for the management and coordination of the online electric car sharing platform. From 2017 to 2019, Mr. Wang has become the general manager of Beijing Zhicai Technology Company Limited* (北京智裁科技有限公司) and was responsible for the company's overall management and researches on products.

Ms. Wu Mengmeng obtained a bachelor's degree of Electronic Commerce from Beijing Union University in 2016. She is currently pursuing an Executive Master of Business Administration at the Guanghua School of Management. Ms. Wu has more than 9 years of experiences on technology industries and management of e-commerce corporations.

* For identification purpose only

LETTER FROM THE BOARD

The Company will employ the “Investment-Build-Operate” approach, taking the lead in research, development and investment while assuming responsibility for subsequent operations and management. The Company plans to establish a professional new media and digital marketing and creative service team of 20–30 specialists by 2026, aiming to generate more traffic, create new scenarios and explore new revenue streams for the Group’s principal businesses. Another key objective of the refined sales and marketing strategies is to open up a second revenue growth curve for the Group by offering precise advertising and marketing services to external customers. In parallel, the Company plans to allocate resources to build an internal research and development team to build the Group’s own artificial intelligence technology and a big data center as well as software. By leveraging artificial intelligence and big data analysis, the Group aims to capture consumer behavior trends precisely, thereby further driving the Group’s business development.

The Group’s Potential Digital Marketing Business will have a well-established organisational structure which includes (i) a research and development department responsible for research and development of technologies necessary for the Potential Digital Marketing Business such as artificial intelligence technology, big data center and software development; (ii) sales department responsible for formulating marketing strategies and maintaining customer relationship; (iii) content, new media and operation department responsible for creative advertising strategies and event launching; and (iv) other supporting departments such as finance department and administration department.

Financing of the Potential Digital Marketing Business

It is expected that approximately HK\$18 million of net proceeds from the Rights Issue reserved for the commencement of the Potential Digital Marketing Business as below-mentioned is sufficient to kick start the Potential Digital Marketing Business and for its operation for the next 12 months. The Company expected to utilise any income to be generated from the Potential Digital Marketing Business to continue its business operations. In the event of under-subscription of the Rights Issue, the Company will initially proportionally scale down its investment in the establishment of the technology research and development center and creative marketing and advertising department. Subject to the then business development of the Potential Digital Marketing Business and then market condition, the Company may further raise fund to expand the Potential Digital Marketing Business.

Having considered (i) the Company has expertise to manage and monitor the Potential Digital Marketing Business; (ii) the Company has formulated its road map and strategies to operate the Potential Digital Marketing Business; and (iii) the negotiation with potential customer for the provision of new media marketing service is encouraging, the Board is of the view that the expansion into the Potential Digital Marketing Business is in the interest of the Company and its shareholders as whole.

LETTER FROM THE BOARD

The Directors, after due and careful consideration, are of the opinion that taking into consideration the estimated net proceeds from the Rights Issue and the financial resources available to the Group, the Company will have sufficient working capital for the next 12 months upon completion of the Rights Issue.

Future co-operation/investment opportunities

Having mapped the possible application scenarios for implementation of the above-mentioned refined sales and marketing strategies, the Company has identified high-traffic venues such as scenic spots, hotel industry and the travel retail trade industry as the primary channels. The Group is actively approaching and negotiating partnerships with potential scenic spots park, hotels and travel trade retailers to embed the Group's products and services of the Group's automotive and related business and the ready-made food and smart kitchen solutions business into their customer experience using Group's creative marketing and advertising techniques, while explore business opportunities for the Group's potential new business by offering creative marketing and advertising services to these potential partners. Initial negotiations have been encouraging.

With a view to fully utilising both parties' resources and to secure long-term, mutually beneficial collaborations, the Group plans to make strategic investments in suitable partners in the business market of cultural tourism industry, hotel industry and the travel retail trade industry. Such collaboration may take the form of equity investment or establishment of joint ventures with potential partners in the business market of cultural tourism industry, hotel industry and the travel retail trade industry, with an aim to strengthen partnership stickiness while through mutual benefit, grow together and allow both parties to share a portion from each other's success. Accordingly, the Company plans to allocate HK\$20 million from the Rights Issue net proceeds for such future investment opportunities in this regard. The Company expects that such proceeds shall be utilised by end of 2026.

As at the Latest Practicable Date, the Company has not identified any suitable target for investment nor entered into any negotiation, agreement, arrangement, understanding or undertaking (whether formal or informal and whether express or implied) in relation to any investment, co-operation or acquisition targets.

The Company has no intention to scale-down or dispose of the Group's automotive and related business and the ready-made food and smart kitchen solutions business and will continue to operate as usual and remains an integral part of its overall business portfolio.

LETTER FROM THE BOARD

Repayment of indebtedness

Since 2022, Mr. Wang, a substantial Shareholder and the Chairman, Chief Executive Officer and Executive Director of the Company, has from time to time provided the Company with unsecured non-interest bearing financial assistance to support its daily operation and businesses since 2022. The above financial assistance is repayable on demand. From 2022 up to the date of the Announcement, the Company has accumulated a debt of HK\$17 million to Mr. Wang. In view of the prolonged debt period, the Company plans to raise additional funds to repay the above outstanding amount due to Mr. Wang.

Assuming full subscription of the Rights Shares and no change in the number of issued Shares on or before the Record Date, the estimated gross proceeds from the Rights Issue will be approximately HK\$100.80 million. The estimated expenses in relation to the Rights Issue will amount to approximately HK\$3.83 million and the estimated maximum net proceeds of the Rights Issue will be approximately HK\$96.97 million.

The Company intends to apply the net proceeds from the proposed Rights Issue as follows:

- (i) approximately HK\$43 million for the establishment of the refined sales and marketing strategies comprises (i) approximately HK\$20 million for establishment of research and development team and relevant capital expenditure for the research and development of building the Group's own platform and artificial intelligence technology, big data center and software; (ii) approximately HK\$15 million for the establishment of creative marketing and advertising department; and (iii) approximately HK\$18 million for the business development of the Creative Marketing Services including marketing and advertising expenses in building up client network and for working capital requirement to operate the Creative Marketing Services. The above planned proceeds are expected to be utilised by July 2027;
- (ii) approximately HK\$20 million is planned as reserve for any future co-operation/investment opportunities, which is expected to be utilised by end of 2026;
- (iii) approximately HK\$17 million for repayment of outstanding amount owed to Mr. Wang, which is expected to be utilised immediately upon completion of the Rights Issue;
- (iv) approximately HK\$7 million to replenish working capital for the Group's existing principal businesses, including but not limited to direct and indirect cost associated with the operation of the Group's automotive related business and ready-made food smart kitchen solution business which is expected to be utilised by January 2027; and
- (v) approximately HK\$9.97 million to replenish the Company's general working capital including but not limited to payment of staff expenses, directors' remunerations, office rentals, legal and professional fees and other daily expenses, which is expected to be utilised by January 2027.

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In the event that there is an under subscription of the Rights Shares, the net proceeds will be utilised in the order as follows: (i) firstly, for the repayment of the outstanding amount owed to Mr. Wang; and (ii) the remaining net proceeds of the proposed Rights Issue will be scaled down and utilised in proportion to the remaining uses.

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. The Company has approached 3 banks for possibility in obtaining debt financing but the results were negative. Additionally, 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 view is set out in the letter from the Independent Board Committee included in this circular) 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.

LETTER FROM THE BOARD

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 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 Shares and ES Unsold Rights Shares are placed to the independent placees	
	<i>Number of shares</i>	<i>Approximate %</i>	<i>Number of shares</i>	<i>Approximate %</i>	<i>Number of shares</i>	<i>Approximate %</i>
Mr. WANG Lei (<i>Note 1</i>)	11,817,400	20.52	709,904,400	20.52	11,817,400	3.42
Mr. LI Jie	5,720,400	9.93	34,322,400	9.93	5,720,400	1.66
Mr. CHEN Huichun (<i>Note 2</i>)	14,000	0.02	84,000	0.02	14,000	Negligible (<i>Note 3</i>)
Public Shareholders						
Placees	–	–	–	–	288,000,000	83.33
Other public Shareholders	40,048,200	69.53	240,289,200	69.53	40,048,200	11.59
	<u>57,600,000</u>	<u>100.00%</u>	<u>345,600,000</u>	<u>100.00%</u>	<u>345,600,000</u>	<u>100.00%</u>

Note(s):

1. Mr. WANG Lei is an executive Director, Chairman and Chief Executive Officer of the Company.
2. Mr. CHEN Huichun is an independent non-executive Director of the Company.
3. Shareholding of Mr. CHEN Huichun will be less than 0.01%.
4. The Company will ensure compliance with the minimum public float requirement under Rule 11.23(7) of the GEM Listing Rules upon completion of the Rights Issue.

LETTER FROM THE BOARD

FUNDRAISING EXERCISE IN THE PAST TWELVE MONTHS

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

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Intended use of net proceeds	Actual use of net proceeds
14 July 2025 (completed on 28 July 2025)	Placing of new Shares under general mandate	HK\$5.4 million	(i) Approximately HK\$2.4 million for initiating marketing activities to promote the Group's ready-made food and smart kitchen solutions business. (ii) Approximately HK\$3 million for future investment in the upstream supply chain within the ready-made food and smart kitchen industry.	(i) Fully utilised as intended (ii) Fully utilised as intended

LETTER FROM THE BOARD

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Intended use of net proceeds	Actual use of net proceeds
7 January 2025 (completed on 23 January 2025)	Placing of new Shares under general mandate	HK\$15.30 million	<p>(i) Approximately HK\$10 million to support the operation and development of the Group's ready-made food and smart kitchen solutions business including (a) approximately HK\$6.5 million for procurement of inventories and materials; (b) approximately HK\$2.4 million for recruitment of sales talents and marketing of the Group's ready-made food and smart kitchen solutions products; and (c) approximately HK\$1.1 million for direct and indirect overheads of the Group's ready-made food and smart kitchen solutions business segment.</p> <p>(ii) Approximately HK\$5.30 million for general working capital of the Company.</p>	<p>(i) Fully utilised as intended</p> <p>(ii) Fully utilised as intended</p>

LETTER FROM THE BOARD

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 the Latest Practicable Date, the Company has no controlling Shareholder as defined under the GEM Listing Rules. Accordingly, Mr. Wang Lei, being an executive Director who is interested in 11,817,400 Shares, representing approximately 20.52% of the total issued share capital of the Company, shall 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

The Company will make available and/or despatch the Prospectus Documents containing, among other things, the Rights Issue, including information on acceptances of the Rights Shares and other information of the Group, and PAL(s) in printed copies will also be sent to the Qualifying Shareholders on or before Monday, 5 January 2026. The Company may, to the extent reasonably practicable and legally permitted and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, make available and/or despatch the Prospectus to the Excluded Shareholders (if any) for their information only, but the Company will not send the PAL to the Excluded Shareholders (if any).

CHANGE IN BOARD LOT SIZE

As set out in the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by Hong Kong Exchanges and Clearing Limited, it is requested that the value of each board lot shall be no less than HK\$2,000. In order to increase the value of each board lot of the Shares, as well as to reduce transaction and registration costs incurred by the Shareholders and investors of the Company, the Board proposes that the board lot size of the Shares for trading on the Stock Exchange will be changed from 1,000 Shares to 5,000 Shares with effect from 9:00 a.m. on Wednesday, 7 January 2026. The Change in Board Lot Size will not result in any change in the relative rights of the Shareholders. The Board is of the opinion that the Change in Board Lot Size is in the interests of the Company and its Shareholders as a whole.

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Based on the closing price of HK\$0.48 per Share as at the Latest Practicable Date, the market value of each existing board lot is approximately HK\$480 and the estimated market value of each proposed new board lot is approximately HK\$2,400.

Arrangement on odd lot trading and matching services

To alleviate the difficulties in trading odd lots of the Shares arising from the Change in Board Lot Size, the Company has appointed Yuet Sheung international Securities Limited as a designated broker to provide a matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Shares to make up a full board lot, or to dispose of their holding of odd lots of the Shares during the period from 9:00 a.m. on Wednesday, 7 January 2026 to 4:00 p.m. on Tuesday, 27 January 2026. Shareholders who wish to take advantage of this facility should contact Ms. Mona Wong of Yuet Sheung International Securities Limited at Unit 2704 27/F, Shun Tak Centre, West Tower, 168–200 Connaught Road Central, Sheung Wan., Hong Kong or at telephone number (852) 2898 4333 from 9:00 a.m. on Wednesday, 7 January 2026 to 4:00 p.m. on Tuesday, 27 January 2026 (both dates inclusive). Holders of odd lots of the Shares should note that the matching of the sale and purchase of odd lots of the Shares is not guaranteed. Any Shareholder who is in any doubt about the odd lots arrangements is recommended to consult his/her/its own professional advisers.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Board proposes to increase the authorised share capital of the Company from HK\$20,000,000 divided into 160,000,000 Shares to HK\$200,000,000 divided into 1,600,000,000 Shares by the creation of an additional 1,440,000,000 Shares. Subject to the passing of an ordinary resolution by the Shareholders at the EGM to approve the Increase in Authorised Share Capital, the Increase in Authorised Share Capital will become effective on the date of the EGM.

In order to accommodate the future growth of the Group and to provide the Company with greater flexibility to raise funds from the Rights Issue, the Board considers the Increase in Authorised Share Capital is in the interests of the Company and the Shareholders as a whole.

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PROPOSED TERMINATION OF EXISTING SHARE OPTION SCHEME AND ADOPTION OF NEW SHARE OPTION SCHEME

2016 Share Option Scheme

The 2016 Share Option Scheme was adopted by the Company by way of a shareholder's resolution passed on 21 October 2016, which will expire on 20 October 2026 and no further options can be granted thereunder. As at the Latest Practicable Date, there were no outstanding options under the 2016 Share Option Scheme and the Company has no intention to grant any options under the 2016 Share Option Scheme from the Latest Practicable Date up to the date of the EGM. In light of the amendments to Chapter 23 of the Listing Rules, which became effective on 1 January 2023, the Company plans to terminate the 2016 Share Option Scheme and introduce the 2025 Share Option Scheme. The 2025 Share Option Scheme will be designed to comply with the updated requirements of Chapter 23 of the Listing Rules. Upon termination of the 2016 Share Option Scheme, no additional share options can be granted under the 2016 Share Option Scheme.

Proposed adoption of the 2025 Share Option Scheme

As at the Latest Practicable Date, there was no other share scheme (as defined under Chapter 23 of the GEM Listing Rules) in effect. In view of the expiration of the 2016 Share Option Scheme and in order to provide appropriate incentives or rewards to suitable and eligible persons for their contribution or potential contribution to the Group, the Board proposes to seek approval by the Shareholders by way of an ordinary resolution at the EGM to adopt the 2025 Share Option Scheme in accordance with Chapter 23 of the GEM Listing Rules. A summary of the principal terms of the Scheme Rules of the 2025 Share Option Scheme is set out in Appendix III to this circular.

As at the Latest Practicable Date, the Board had no intention to grant any Options under the 2025 Share Option Scheme.

Conditions of the 2025 Share Option Scheme

The 2025 Share Option Scheme will take effect upon satisfaction of the following conditions:

- (a) the passing of the necessary resolutions by the Shareholders of the Company in the EGM to approve and adopt the 2025 Share Option Scheme and to authorise the Board to grant the Options to allot, issue and deal with the Shares which fall to be issued pursuant to the exercise of the Options under the 2025 Share Option Scheme; and
- (b) the Listing Committee granting the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the 2025 Share Option Scheme.

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An application will be made by the Company to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the new Shares which may fall to be issued pursuant to the exercise of the Options granted under the 2025 Share Option Scheme.

Eligible Participants

Under the 2025 Share Option Scheme, Eligible Participants include the Employee Participants (which exclude independent non-executive Directors) and the Related Entity Participants. These categories of Eligible Participants are consistent with the GEM Listing Rules and the eligibility criteria of Eligible Participants set out in the paragraph headed “Eligibility of Eligible Participants” below is also consistent with the purposes of the 2025 Share Option Scheme, which enable the Group to preserve its cash resources and use share incentives to encourage both employees and non-employees of the Group to contribute to the Group and align the mutual interests of the Company and the Eligible Participants which in turn will benefit the long-term growth and development of the Group.

In addition to Employee Participants, Eligible Participants also include Related Entity Participants. The Company has not previously granted any Options to Related Entity Participants. However, it is considered that apart from the contributions from employees of the Group, the success of the Group might also come from the efforts and contributions from non-employees (including Related Entity Participants) who have contributed to the Group or may contribute to the Group in the future. Grant of Options to Related Entity Participants would not only align the interest of them and the Group, but also strengthen their loyalty to the Group and provide incentives to them for a higher degree of their participation and involvement in promoting the business of the Group; and maintaining a stable and long-term relationship with the Group.

Pursuant to the Note (1) to Rule 23.03(2) of the GEM Listing Rules, the Company has sought legal advice on the prospectus requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) in relation to the 2025 Share Option Scheme proposed to be adopted and understands that exemptions may be available from the prospectus registration requirements, provided that the grant of Options made by the Company under the 2025 Share Option Scheme to the Eligible Participants fall within the said exemptions, and in which case the adoption of the 2025 Share Option Scheme would not constitute an offer to public, and the prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) are not applicable.

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Eligibility of Eligible Participants

In determining the basis of eligibility of, and the terms of grant of Options to each of the Eligible Participants, the Board will take into account different factors, his/her experience in the business of the Group, the length of his/her service with the Group, his/her contribution to the development and long-term growth of the Group and other factors as the Board may at its discretion consider appropriate.

The Board also has the discretion to impose different terms and conditions on Options to be granted to these participants, which allows the Board to have flexibility to impose appropriate conditions in light of the particular circumstances of each grant, corresponding to the relevant Eligible Participant's contribution or potential contribution (including future contributions to the Group). In particular, the Board would take into account, on a case-by-case basis, among other things, the following factors in assessing the eligibility of the relevant Eligible Participants:

- (a) with respect to Employee Participant: (i) their individual performance; (ii) their time commitment (full-time or part-time), responsibilities or employment conditions with reference to the prevailing market practice and industry standard; (iii) the length of their engagement with the Group; and (iv) their individual contributions or potential contributions towards the development and growth of the Group.
- (b) with respect to Related Entity Participant: (i) the positive impact brought by, or expected from, the Related Entity Participant on the Group's business in terms of, amongst other things, actual or expected change in the Group's revenue or profits and/or an addition of expertise to the Group attributable to them; (ii) the length of their collaborative relationship established with the Group; (iii) their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group, which may include the degree of their involvement in and/or cooperation with the Group; (iv) whether the Related Entity Participant have provided measurable assistance to improve any aspect of the Group's business, such as to refer or introduce new business opportunities to the Group or increase its existing market share; and (v) the amount of actual or potential support, assistance, guidance, advice, effort and contribution that they are likely to be able to give or contribute towards the success of the Group.

The Related Entity Participants who may be selected as Grantees under the 2025 Share Option Scheme are limited to those who provide advisory or consultancy services to the Group on a continuing or recurring basis akin to those of the employees of the Group in the Company's ordinary and usual course of business and which are conducive to the long-term growth of the Group. The Directors are of the view that although they are not employees of the Group, their specific industry and professional knowledge which will provide insights and expertise to the Group would make contributions in ways that are similar to the Employee Participants under the 2025 Share Option Scheme.

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Although there were no Related Entity Participants with which the Group may have any business dealings as at the Latest Practicable Date, the Board does not rule out the possibility that there may be business expansion or development in the future resulting in the formation of joint ventures arising from referral or introduction of new opportunities or by tapping into specific knowledge or pre-existing expertise on certain operational areas and guidance or the Related Entity Participants which to support and assist the Group's long-term development. As such, the Board (including the independent non-executive Directors) is of the view that the inclusion of Related Entity Participants in the 2025 Share Option Scheme is designed to align with the Group's potential business plan by extending incentives to staff of future joint ventures which may be established, which Directors believe to be consistent with the purpose of the 2025 Share Option Scheme of aligning mutual interest between the Group and Eligible Participants and motivating contributions to the Group, thereby serving the long-term interests of the Company and its Shareholders.

Having considered the basis of determining the eligibility of the Eligible Participants, in particular with respect to those applicable to the Related Entity Participants, and the factors above, the Board (including the independent non-executive Directors) considers that (i) the inclusion of the Related Entity Participants as Eligible Participants is in line with the Company's business needs and the industry norm of providing equity-based payment to stakeholders in order to align interests and incentivise performance and contribution, as it is desirable and necessary to sustain and foster these business relationships on a long-term basis; and (ii) it is advantageous to foster a sustainable, stable and collaborative relationship with the Related Entity Participants which is vital to the Group's business development. Based on the above, the Directors (including the independent non-executive Directors) are of the view that the criteria for the selection of the Eligible Participants and the inclusion of the Related Entity Participants in the 2025 Share Option Scheme, and the discretion afforded to the Board to impose different terms and conditions (including but not limited to performance targets and vesting conditions) on the Options to be granted to such selected Eligible Participants, are in line with the purpose of the 2025 Share Option Scheme and the Group's business needs and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Vesting period

The vesting period for Options under the 2025 Share Option Scheme shall be determined by the Board, and in any case, shall not be less than 12 months from (and including) the Offer Date. To ensure the practicability in fully attaining the purpose of the 2025 Share Option Scheme, for Employee Participants, the Board and the Remuneration Committee of the Board are of the view that (i) there are certain instances where a strict 12-month vesting requirement would not work or would not be fair to the Grantee, such as those set out in paragraphs 7(a) to (f) of Appendix IV to this circular; (ii) there is a need for the Group to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (iii) the Group should be allowed discretion to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances. Hence,

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the Board is of the view, which view is concurred by the Remuneration Committee of the Board, that the shorter vesting period prescribed in paragraphs 7(a) to (f) of Appendix IV to this circular, which is available to Employee Participants, is in line with the market practice, is appropriate and aligns with the purpose of the 2025 Share Option Scheme.

Scheme Limit

As at the Latest Practicable Date, the issued share capital of the Company comprised 57,600,000 Shares and the Company held no Treasury Shares. Assuming that there is no change in the issued share capital during the period between the Latest Practicable Date and the Adoption Date, the total number of Shares in respect of all Options to be granted under the 2025 Share Option Scheme together with all options and awards which may be granted under any other share scheme(s) for the time being of the Company will be 5,760,000 Shares, representing 10% of the total number of issued Shares (excluding Treasury Shares) as of the Adoption Date.

The Company may issue new Shares and/or utilise Treasury Shares (if any) to satisfy grant of the Options under the 2025 Share Option Scheme to the extent permitted by the GEM Listing Rules, all applicable laws and regulations and the Articles of Association. As at the Latest Practicable Date, the Company had no Treasury Shares.

Performance Targets

Subject to the Scheme Rules of the 2025 Share Option Scheme, the GEM Listing Rules and any applicable laws and regulations, the Board or the committee of the Board or person(s) to which the Board has delegated its authority shall have the power to determine such performance targets or other criteria or conditions for vesting of the Options in its sole and absolute discretion. The performance target, if any, shall be based on the performance of the Eligible Participant and/or the operating or financial performance of the Group including but not limited to (i) business performance and financial performance of the Group such as the profit before tax of the Group; (ii) attaining of corporate goals; (iii) individual performance appraisal; and/or (iv) other criteria to be determined by the Board as its absolute discretion from time to time, which shall be set out in the relevant offer letter in relation to the grant of Options issued to each selected Eligible Participant. The Board considered that such performance targets will align with the purpose of the 2025 Share Option Scheme by remunerating the Eligible Participants with equity incentives that recognise their contributions on the long-term growth and development of the Group. In the event Options are granted to Eligible Persons without performance targets, the Company will comply with the requirements under Rule 23.06B(8) of the GEM Listing Rules that the relevant announcement will include the views of the Remuneration Committee on why performance targets and/or a clawback mechanism is/are not necessary and how the grants would align with the purpose of the Share Option Scheme.

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Clawback

Notwithstanding the terms and conditions of the 2025 Share Option Scheme, the Board has the authority to clawback any Option that has been previously granted but not yet exercised, without a Grantee's consent, in the event that, among others, a Grantee ceases to be an Eligible Participant under certain circumstances, has been convicted of criminal offence involving his integrity or honesty or has engaged in any serious misconduct or in material breach of the terms of the 2025 Share Option Scheme or the Offer Letter as more particularly set out in paragraph 20 of Appendix IV to this circular.

Basis of Determination of the Exercise Price

The Exercise Price in relation to each Option offered to an Eligible Participant shall, subject to the adjustments as determined by the Board in its absolute discretion on the date of grant, but in any event, must be at least the higher of:

- (a) the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the Offer Date, which must be a Business Day;
- (b) the average of the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five Business Days immediately preceding the Offer Date; and
- (c) the nominal value of a Share.

The basis for determining the Exercise Price is also specified precisely in the Scheme Rules. The Board considers that such basis will serve to preserve the value of the Company and encourage the Eligible Participants to acquire proprietary interests in the Company.

Value of the Options

The Board considers that it is not appropriate and impractical to state the value of the Options that can be granted under the 2025 Share Option Scheme as if they had been granted at the Latest Practicable Date, given that various factors (such as the Exercise Price and other terms and conditions to which an Option may be subject) crucial for valuation cannot be predicted or ascertained at this stage and may vary from case to case. The Board believes that any calculation of the value of the Options as at the Latest Practicable Date based on assumptions would be speculative, not meaningful to, and may be misleading to the Shareholders.

Principal terms of the 2025 Share Option Scheme

A summary of the principal terms of the 2025 Share Option Scheme is set out in Appendix III to this circular.

LETTER FROM THE BOARD

Other information

No trustee was appointed under the 2025 Share Option Scheme. None of the Directors is and will be trustee of the 2025 Share Option Scheme or has a direct or indirect interest in the trustee. In the event that the Company considers to appoint a trustee for the administration and implementation of the 2025 Share Option Scheme in future, such trustee will be independent of the Company and its connected persons. With respect to the operation of the 2025 Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 23 of the GEM Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder had any material interest in the adoption of the 2025 Share Option Scheme. Accordingly, no Shareholder is required to abstain from voting on the resolution approving the adoption of the 2025 Share Option Scheme at the EGM.

EGM

A notice convening the EGM to be held at Conference Room, 3/F., Building 58, No. 1, Jing Hai Wu Road, Beijing City, the PRC on Thursday, 18 December 2025 at 11:00 a.m. is set out on pages EGM-1 to EGM-5 of this circular for the purpose of, considering and, if thought fit, passing the resolutions set out therein. Under Rule 17.47(4) of the GEM Listing Rules, any vote of the Shareholders at the EGM must be taken by poll.

To the best of the Directors' knowledge, Mr. Wang Lei, being an executive Director, shall abstain from voting in favour of the resolution approving the Rights Issue at the EGM.

You will find enclosed a form of proxy for use at the EGM. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours (i.e. 11:00 a.m. on Tuesday, 16 December 2025) before the time appointed for holding the EGM or any adjournment. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM, or any adjourned meeting thereof should you so desire, and in such event, the form of proxy shall be deemed to be revoked.

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

The Shares are expected to be dealt in on an ex-rights 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 dates inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Please refer to the section headed "Conditions of the Rights Issue" in this circular above.

LETTER FROM THE BOARD

Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any Shareholder or other person dealings in the Shares and/or the nil-paid Rights Shares up to the time at which the Rights Issue becomes unconditional will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

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.

RECOMMENDATIONS

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Chen Huichun, Mr. Gao Yan and Mr. Wu Guoyong, has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM. Somerley Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable.

Your attention is drawn to the letter from the Independent Board Committee set out on pages 49 to 50 of this circular which contains its recommendation to the Independent Shareholders in relation to the Rights Issue, and the letter from the Independent Financial Adviser set out on pages 51 to 83 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

Further, 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 transactions contemplated thereunder are fair and reasonable 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 Independent Shareholders to vote in favour of the resolution approving the Rights Issue to be proposed at the EGM.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

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

Yours faithfully

For and on behalf of the Board

Zhongshi Minan Holdings Limited

WANG Lei

Chairman, Chief Executive Officer and Executive Director



Zhongshi Minan Holdings Limited

中食民安控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8283)

28 November 2025

To the Independent Shareholders

Dear Sir or Madam,

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
FIVE (5) RIGHTS SHARE 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 otherwise defined, capitalised terms used herein shall have the same meanings as those 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 are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM.

Somerley Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable. Details of its recommendation, together with the principal factors and reasons taken into consideration in arriving at such recommendation, are set out on pages 51 to 83 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 12 to 48 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the factors and reasons considered by, and the opinion of, the Independent Financial Adviser as set out in its letter of advice to the Independent Shareholders and the Independent Board Committee on pages 51 to 83 of the Circular, we are of the opinion that the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the Rights Issue.

Yours faithfully, For and on behalf of
The Independent Board Committee of
Zhongshi Minan Holdings Limited

Mr. CHEN Huichun

Mr. GAO Yan
Independent non-executive Directors

Mr. WU Guoyong

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from Somerley Capital Limited prepared for the purpose of inclusion in this circular, setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue and the transactions contemplated thereunder.



SOMERLEY CAPITAL LIMITED

20th Floor
China Building
29 Queen's Road Central
Hong Kong

28 November 2025

To: The Independent Shareholders and the Independent Board Committee

Dear Sirs,

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
FIVE (5) RIGHTS SHARES FOR EVERY ONE (1) SHARE
HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS**

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders in connection with the Rights Issue and the transactions contemplated thereunder. Details of the aforesaid transactions are set out in the letter from the Board contained in the circular of the Company (the “**Circular**”) to its Shareholders dated 28 November 2025, of which this letter forms part. Unless otherwise defined, terms used in this letter shall have the same meanings as those defined in the Circular.

The Company proposes to conduct the Rights Issue on the basis of five (5) Rights Shares for every one (1) Share held on the Record Date at the Subscription Price of HK\$0.35 per Rights Share, to raise up to HK\$100.80 million before expenses by way of issuing up to 288,000,000 Rights Shares (assuming no change in the number of issued Shares on or before the Record Date).

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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As of the Latest Practicable Date, the Company has no controlling Shareholder as defined under the GEM Listing Rules. Accordingly, Mr. Wang Lei, being an executive Director who is interested in 11,817,400 Shares, representing approximately 20.52% of the total issued share capital of the Company, shall 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.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Chen Huichun, Mr. Gao Yan and Mr. Wu Guoyong has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interest of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM, taking into account the recommendations of the Independent Financial Adviser.

We are not associated or connected with the Company or its core connected persons or associates. In the two years prior to this appointment, we did not have other engagement with the Company or its core connected persons or its associates. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company or its core connected persons or associates.

In formulating our advice and recommendation, we have reviewed information on the Company, including but not limited to, (i) the annual report of the Company for the year ended 31 December 2024 (“**FY2024**”) (the “**2024 Annual Report**”) and the interim report for the six months ended 30 June 2025 (“**1H2025**”) (the “**2025 Interim Report**”) (together, as the “**Reports**”); (ii) the announcement of the Company dated 4 November 2025 in relation to the Rights Issue; (iii) the Placing Agreement; and (iv) other information contained in the Circular. Based on the aforesaid, we confirm that we have taken all reasonable steps which are applicable to the Rights Issue, as referred to in Rule 17.92 of the GEM Listing Rules.

In addition, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Company (collectively, the “**Management**”) and the respective professional advisers of the Company, which we have assumed to be true, accurate and complete in all material aspects at the time they were made and will remain true, accurate and complete in all material aspects up to the date of the EGM. We have also sought and received confirmation from the Group that no material facts have been omitted from the information supplied by them and that their opinions expressed to us are not misleading in any material respect. We consider that the information we have received is sufficient for us to formulate our opinion and recommendation as set out in this letter and have no reason to believe that any material information has been omitted or withheld, nor to doubt the truth or accuracy of the information provided to us. We have, however, not conducted any independent investigation into the businesses and affairs of the Group nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation regarding the Rights Issue, we have considered the following principal factors and reasons:

1. Information on the Group

1.1 Principal business of the Group

The Company is an investment holding company. The Company's subsidiaries are principally engaged in the passenger car service industry and offer a comprehensive range of passenger car services including: (1) maintenance and repair of services; (2) modification, tuning and grooming services; (3) provision of extended warranty program; (4) development, manufacturing and sale of smart kitchen appliances segment; and (5) F&B brand management services.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

1.2 Financial information of the Group

Set out below is the summary of the Group's audited financial performance for the year ended 31 December 2023 ("FY2023"), FY2024 and six months ended 30 June 2024 ("1H2024") and 1H2025 as extracted from the respective Reports:

	Six months ended 30 June		Year ended 31 December	
	2025	2024	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Revenue	8,207	9,433	18,866	23,871
Other income and gains	416	107	2,309	1,559
Cost of materials	(4,628)	(4,983)	(9,330)	(11,717)
Marketing and advertising expenses	(57)	(57)	(868)	(539)
Employee benefits expenses	(2,937)	(3,462)	(5,799)	(7,760)
Depreciation of property, plant and equipment	(189)	(147)	(219)	(334)
Depreciation of right-of-use assets	(339)	(341)	(760)	(703)
Amortisation of intangible assets	–	–	(4)	–
(Impairment losses of)/reversal of impairment losses on trade receivables, net	–	–	(67)	61
Finance costs	(63)	(66)	(168)	(86)
Other expenses	(2,710)	(2,602)	(2,800)	(5,612)
(Loss)/Profit before tax	(2,300)	(2,118)	1,160	(1,260)
Income tax expense	–	(4)	(129)	(268)
(Loss)/Profit for the period/year	(2,300)	(2,122)	1,031	(1,528)
<i>(Loss)/Profit for the period/year attributable to:</i>				
Owners of the Company	(2,157)	(1,754)	1,492	(142)
Non-controlling interests	(143)	(368)	(461)	(1,386)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For FY2023 and FY2024 as well as 1H2025, over 85% of the Group's total revenue was contributed by the passenger car services (including the maintenance and repair services and the modification, tuning and grooming services and trading of spare parts and accessories) segment. As shown above, in FY2024, the Group reported revenue of approximately S\$18.9 million, representing a decrease of approximately 21.0% from approximately S\$23.9 million in FY2023. Such decrease was mainly due to decrease in spare parts export sales and slow down in maintenance and repair services income, as well as cautious customer spending amidst ongoing macroeconomic challenges. During FY2024, the Group recorded a net profit of approximately S\$1.0 million as compared to a loss of approximately S\$1.5 million for FY2023. Such turnaround in profitability was primarily driven by the one-off gain of approximately S\$1.9 million from the disposal of a subsidiary in China in 2024, along with Group's strategic efforts to streamline operations and cost management. As such, if the abovementioned one-off disposal gain was excluded, the Group would have reported a net loss for FY2024.

The Group's revenue decreased by approximately 13.0% from approximately S\$9.4 million in 1H2024 to approximately S\$8.2 million in 1H2025, mainly due to a decrease in spare parts export sales and slow down in maintenance and repair services income, as well as cautious customer spending amidst ongoing macroeconomic challenges. The Group recorded a further loss of approximately S\$2.3 million in 1H2025 as compared to a loss of approximately S\$2.1 million in 1H2024. Such loss position was mainly attributed to business slow down of car maintenance and repair of services in Singapore market.

Set out below is the summary of the Group's financial position as at 31 December 2024 and 30 June 2025, as extracted from the 2025 Interim Report:

	30 June 2025 S\$'000 (Unaudited)	31 December 2024 S\$'000 (Audited)
Non-current assets		
Property, plant and equipment	2,741	2,577
Right-of-use assets	1,045	1,414
Intangible assets	15	17
Financial assets at fair value through profit or loss	589	530
Prepayments, other receivables and other assets	586	1,126
	<u>4,976</u>	<u>5,664</u>

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	30 June 2025	31 December 2024
	<i>S\$'000</i>	<i>S\$'000</i>
	(Unaudited)	(Audited)
Current assets		
Financial assets at fair value through profit or loss	2,874	1,505
Inventories	1,295	1,215
Trade receivables	1,034	1,064
Prepayments, other receivables and other assets	10,725	7,164
Cash and cash equivalents	<u>1,765</u>	<u>5,351</u>
	<u>17,693</u>	<u>16,299</u>
Current liabilities		
Trade and other payables	7,303	8,892
Bank and other borrowings	2,371	580
Contract liabilities	1,029	863
Tax payable	<u>139</u>	<u>61</u>
	<u>10,842</u>	<u>10,396</u>
Total assets less current liabilities	<u>11,827</u>	<u>11,567</u>
Non-current liabilities		
Provisions	413	413
Contract liabilities	317	317
Bank and other borrowings	1,573	2,012
Deferred tax liabilities	<u>12</u>	<u>12</u>
	<u>2,315</u>	<u>2,754</u>
Net assets	<u>9,512</u>	<u>8,813</u>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	30 June 2025	31 December 2024
	<i>S\$'000</i>	<i>S\$'000</i>
	(Unaudited)	(Audited)
Equity		
Equity attributable to owners of the Company		
Share capital	1,074	900
Reserves	8,648	7,980
	<u>9,722</u>	<u>8,880</u>
Non-controlling interests	(210)	(67)
	<u>(210)</u>	<u>(67)</u>
Total equity	<u>9,512</u>	<u>8,813</u>

The Group reported total assets of approximately S\$22.0 million as at 31 December 2024 and approximately S\$22.7 million as at 30 June 2025. Total non-current assets of the Group as at 31 December 2024 and 30 June 2025 mainly comprised property, plant and equipment and right-of-use assets. Balance of total non-current assets decreased by around 12.1% as at 30 June 2025 comparing with the amount as at 31 December 2024, which was primarily due to a decrease in loans receivables from customers for the purchase of vehicles.

Total current assets of the Group as at 31 December 2024 and 30 June 2025 mainly comprised, financial assets at fair value through profit or loss, prepayments, other receivables and other assets and cash and cash equivalents. Total current assets of the Group increased by approximately 8.6% from approximately S\$16.3 million as of 31 December 2024 to approximately S\$17.7 million as of 30 June 2025, mainly as a result of the increase in deposit paid for the purchase of electric vehicles for car leasing and resale purpose as of 30 June 2024. Cash and cash equivalents substantially decreased by around 66.7% from approximately S\$5.4 million as at 31 December 2024 to approximately S\$1.8 million as a result of operating loss during 1H2025 and the deposit paid for the purchase of electric vehicles for the expansion into car leasing business in Singapore. Current ratio was slightly improved from around 1.57 times as at 31 December 2024 to around 1.63 times at 30 June 2025, the improvement was mainly a result of an increase in deposits as mentioned above and was partially offset by a decrease in cash and cash equivalents.

The Group reported total liabilities of approximately S\$13.2 as at 31 December 2024 and 30 June 2025 respectively. Total current liabilities of the Group as at 31 December 2024 and 30 June 2025 mainly comprised trade and other payables and bank and other borrowings. Current liabilities of the Group as at 30 June 2025 was comparable to the balance as at 31 December 2024. Total non-current liabilities of the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Group decreased by around 15.9% from approximately S\$2.8 million as at 31 December 2024 to approximately S\$2.3 million as at 30 June 2025 due to the re-classification of certain bank borrowings from non-current liabilities to current liabilities.

As disclosed in the Reports, as at 30 June 2025, the Group had total bank and other borrowings amounted to approximately S\$3.9 million, represented an increase by around 50.0% from approximately S\$2.6 million as at 31 December 2024. As at 30 June 2025, the Group had a gearing ratio of 0.41 times (measured by interest-bearing bank and other borrowings divided by the total equity), which was significantly increased compared to that of 0.29 times as at 31 December 2024.

Equity attributable to owners of the Company was approximately S\$9.7 million as at 30 June 2025. Based on the total number of issued Shares as at the Latest Practicable Date of 57,600,000, total equity attributable to owners of the Company per Share was approximately S\$0.169 (equivalent to approximately HK\$1.013).

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

2.1 *Reasons for the Rights Issue*

As disclosed in letter from Board of the Circular, the reasons for and benefits of the Rights Issue are as follow:

Refining sales and marketing strategies for the Group's existing businesses while exploring second revenue growth curve

The Company recognised that following the backdrop of evolving market conditions and the increasing prevalence of technology, consumer purchase preferences are highly influenced by the mass adoption of online digital promotion and sales platforms like “Taobao”, “Xiaohongshu” and “TikTok” etc. (the “**High Traffic Sales and Marketing Digital Platforms**”) as well as the innovative sales and marketing tactics of retailers and advertising service providers leveraging on these platforms. The Group must adapt to the ever-changing market environment by developing its own innovative sales and marketing strategies. As such, the Group is currently planning to build its internal digital marketing unit. The marketing unit will leverage on the High Traffic Sales and Marketing Digital Platforms to produce its own content, live streaming advertisements and operational services to showcase the Group's services and products of the Group's automotive and related business and the ready-made food and smart kitchen solutions business to wide pool of potential customers as well as co-operate with suitable scenic spots, hotels and restaurants to launch embedded contextual experience activities for the Group's products, with an aim to drive traffic streams, new customer engagement scenarios, and

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eventually contribute new revenue channels for the Group's automotive and related business and the ready-made food and smart kitchen solutions business.

The core strategy of the Group is a dual-driver approach, meaning on one hand, co-operate with suitable partners to deeply embedding existing principal businesses such as automotive services, pre-made food and smart appliance solutions into local living scenarios both in the form of offline and online activities as above-mentioned, to explore new traffic and revenue sources for the Group's existing products and services.

On the other hand, leveraging on the future development of the digital marketing capabilities, the Group aims to provide content, live streaming, and operational services for potential customers in future, thereby opening up a potential new business which may potentially generate a second revenue growth curve and building a robust brand and data moat for the Group.

*Details of the potential new digital marketing business (the “**Potential Digital Marketing Business**”)*

The operation, relevant infrastructure and the revenue model and development plan

The Group's Potential Digital Marketing Business will be principally engaged in (i) the provision of online content, live streaming marketing for potential customers; and (ii) co-operate with potential customers by integrating existing resources of potential customers and the marketing strategies and solutions formulated by the Group to provide potential customers with practical, value-added life scenarios application, thereby increasing potential customers' pricing power for its products and services and increase sales, and the Group will share a certain portion of the potential customer's income as revenue. The Group has initially targeted to commence the Potential Digital Marketing Business in the business market of cultural tourism industry, hotel industry and the travel retail trade industry. Subject to the future business development of the Potential Digital Marketing Business, the Group will expand the business scope of the Potential Digital Marketing Business into other business industries.

To commence the Potential Digital Marketing Business, the Group plans to establish a technology research and development center and creative marketing and advertising department, whereby the Group plans to invest in the research and development of building the Group's own platform and artificial intelligence technology, big data center and software and to establish a team of 20–30 specialists to manage and operate the Potential Digital Marketing Business. The Company expects the establishment of the technology research and development center and the marketing and advertising department will be gradually achieved by third quarter of 2026.

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Sourcing of customers

The Group will source potential client via (i) the business network from the management of the Company; (ii) the effort from sales team to be recruited by the Group upon completion of the Rights Issue; (iii) deploy live-streaming advertisement and content via High Traffic Sales and Marketing Digital Platforms to enhance public awareness of the Potential Digital Marketing Business. The Group will also engage appropriate business agents to refer potential customers to the Group.

Expertise, scale of manpower required and monitoring of the Potential Digital Marketing Business

The development and management of the refined sales and marketing strategies will be led and monitored by the experts of the Board in online technologies and electronic commerce namely Mr. Wang Lei and Ms. Wu Mengmeng.

Mr. Wang Lei has over 10 years of extensive management experience in companies engaged with online and technology businesses. From 2014 to 2015, he was the chief executive officer of Beijing Qiuyouquan Technology Company Limited* (北京球友圈網路科技有限責任公司), mainly responsible for promoting online booking systems with respect to different sports activities. During the period from 2016 to 2017, Mr. Wang was the director of the car sharing department of Beijing Electric Vehicle Co., Ltd.* (北京新能源汽車股份有限公司) and was responsible for the management and coordination of the online electric car sharing platform. From 2017 to 2019, Mr. Wang has become the general manager of Beijing Zhicai Technology Company Limited* (北京智裁科技有限公司) and was responsible for the company's overall management and researches on products.

Ms. Wu Mengmeng obtained a bachelor's degree of Electronic Commerce from Beijing Union University in 2016. She is currently pursuing an Executive Master of Business Administration at the Guanghua School of Management. Ms. Wu has more than 9 years of experiences on technology industries and management of e-commerce corporations.

The Company will employ the "Investment-Build-Operate" approach, taking the lead in research, development and investment while assuming responsibility for subsequent operations and management. The Company plans to establish a professional new media and digital marketing and creative service team of 20–30 specialists by 2026, aiming to generate more traffic, create new scenarios and explore new revenue streams for the Group's principal businesses. Another key

* For identification purpose only

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

objective of the refined sales and marketing strategies is to open up a second revenue growth curve for the Group by offering precise advertising and marketing services to external customers. In parallel, the Company plans to allocate resources to build an internal research and development team to build the Group's own artificial intelligence technology and a big data center as well as software. By leveraging artificial intelligence and big data analysis, the Group aims to capture consumer behavior trends precisely, thereby further driving the Group's business development.

The Group's Potential Digital Marketing Business will have a well-established organisational structure which includes (i) a research and development department responsible for research and development of technologies necessary for the Potential Digital Marketing Business such as artificial intelligence technology, big data center and software development; (ii) sales department responsible for formulating marketing strategies and maintaining customer relationship; (iii) content, new media and operation department responsible for creative advertising strategies and event launching; and (iv) other supporting departments such as finance department and administration department.

Financing of the Potential Digital Marketing Business

It is expected that approximately HK\$18 million of net proceeds from the Rights Issue reserved for the commencement of the Potential Digital Marketing Business as below-mentioned is sufficient to kick start the Potential Digital Marketing Business and for its operation for the next 12 months. The Company expected to utilise any income to be generated from the Potential Digital Marketing Business to continue its business operations. In the event of under-subscription of the Rights Issue, the Company will initially proportionally scale down its investment in the establishment of the technology research and development center and creative marketing and advertising department. Subject to the then business development of the Potential Digital Marketing Business and then market condition, the Company may further raise fund to expand the Potential Digital Marketing Business.

Having considered (i) the Company has expertise to manage and monitor the Potential Digital Marketing Business; (ii) the Company has formulated its road map and strategies to operate the Potential Digital Marketing Business; and (iii) the negotiation with potential customer for the provision of new media marketing service is encouraging, the Board is of the view that the expansion into the Potential Digital Marketing Business is in the interest of the Company and its shareholders as whole.

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The Directors, after due and careful consideration, are of the opinion that taking into consideration the estimated net proceeds from the Rights Issue and the financial resources available to the Group, the Company will have sufficient working capital for the next 12 months upon completion of the Rights Issue.

Future co-operation/investment opportunities

Having mapped the possible application scenarios for implementation of the above-mentioned refined sales and marketing strategies, the Company has identified high-traffic venues such as scenic spots, hotel industry and travel retail trade industry as the primary channels. The Group is actively approaching and negotiating partnerships with potential scenic spots park, hotels and travel trade retailers to embed the Group's products and services of the Group's automotive and related business and the ready-made food and smart kitchen solutions business into their customer experience using Group's creative marketing and advertising techniques, while exploring business opportunities for the Group's potential new business by offering creative marketing and advertising services to these potential partners. Initial negotiations have been encouraging.

With a view to fully utilising both parties' resources and to secure long-term, mutually beneficial collaborations, the Group plans to make strategic investments in suitable partners in the business market of cultural tourism industry, hotel industry and travel retailer trade industry. Such collaboration may take the form of equity investment or establishment of joint ventures with potential partners in the business market of cultural tourism industry, hotel industry and travel retailer trade industry, with an aim to strengthen partnership stickiness while through mutual benefit, grow together and allow both parties to share a portion from each other's success. Accordingly, the Company plans to allocate HK\$20 million from the Rights Issue net proceeds for such future investment opportunities in this regard. The Company expects that such proceeds shall be utilised by end of 2026.

As at the Latest Practicable Date, the Company has not identified any suitable target for investment nor entered into any negotiation, agreement, arrangement, understanding or undertaking (whether formal or informal and whether express or implied) in relation to any investment, co-operation or acquisition targets.

Repayment of indebtedness

Since 2022, Mr. Wang, a substantial Shareholder and the Chairman, Chief Executive Officer and Executive Director of the Company, has from time to time provided the Company with unsecured non-interest bearing financial assistance to support its daily operation and businesses since 2022. The above financial assistance is repayable on demand. From 2022 up to the Latest Practicable Date,

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the Company has accumulated a debt of approximately HK\$17 million to Mr. Wang. In view of the prolonged debt period, the Company plans to raise additional funds to repay the above outstanding amount due to Mr. Wang.

We have discussed and understood from the Company that as at 30 June 2025, the Group had (i) limited cash and cash equivalents of approximately S\$1.8 million; and (ii) total bank and other borrowings amounted to approximately S\$3.9 million. The estimated maximum net proceeds of the Rights Issue to be received by the Company after deducting all estimated expenses payable by the Group (assuming full subscription of the Rights Shares and no change in the number of issued Shares on or before the Record Date) are estimated to be up to approximately HK\$96.97 million and is intended to be utilised as follows:

- (i) approximately HK\$43 million for the establishment of the refined sales and marketing strategies comprises (i) approximately HK\$20 million for establishment of research and development team and relevant capital expenditure for the research and development of building the Group's own platform and artificial intelligence technology, big data center and software; (ii) approximately HK\$15 million for the establishment of creative marketing and advertising department; and (iii) approximately HK\$18 million for the business development of the Creative Marketing Services including marketing and advertising expenses in building up client network and for working capital requirement to operate the Creative Marketing Services. The above planned proceeds are expected to be utilised by July 2027;
- (ii) approximately HK\$20 million is planned as reserve for any future co-operation/investment opportunities, which is expected to be utilised by end of 2026;
- (iii) approximately HK\$17 million for repayment of outstanding amount owed to Mr. Wang, which is expected to be utilised immediately upon completion of the Rights Issue;
- (iv) approximately HK\$7 million to replenish working capital for the Group's existing principal businesses, including but not limited to direct and indirect cost associated with the operation of the Group's automotive related business and ready-made food smart kitchen solution business, which is expected to be utilised by January 2027; and
- (v) approximately HK\$9.97 million to replenish the Company's general working capital including but not limited to payment of staff expenses, directors' remunerations, office rentals, legal and professional fees and other daily expenses, which is expected to be utilised by January 2027.

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In the event that there is an under subscription of the Rights Shares, the net proceeds will be utilised in the order as follows: (i) firstly, for the repayment of the outstanding amount owed to Mr. Wang; and (ii) the remaining net proceeds of the proposed Rights Issue will be scaled down and utilised in proportion to the remaining uses.

Please refer to the section headed “REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS” in the letter from the Board of the Circular for additional information.

As disclosed above, to better adapt to the market changes, the Group has been looking to further develop their business and expand their source of revenue including, among others, transforming its traditional automotive services and smart kitchen appliance business to a digitalised service provider as well as investment in potential opportunities with suitable partners for better online marketing and promotion of its products and potential clients’ products through the High Traffic Sales and Marketing Digital Platforms.

As discussed in the section headed “1.2 Financial information of the Group” above, revenue of the Group had recorded continuous decline over the years and if the one-off disposal gain record in FY2024 was excluded, the Group would also have reported consecutive losses attributable to owners of the Company since 2021. Against such backdrop and while the Company expects that the operating environment to remain challenging in Singapore and China due to the ongoing geopolitical challenges and trade dynamics, technological advancement, rising costs and shifting consumer preference, the possibility of business turnaround solely with the Group’s existing model without looking to expand its business or invest in potential opportunity is currently limited and therefore, it is reasonable for the Company to explore different ways to enhance its source of income as detailed in the plans above.

As also discussed in the section headed “1.2 Financial information of the Group” above, while total borrowings of the Group (current and non-current) has increased and remained at a consistently high level up from approximately S\$2.18 million as at 31 December 2023 to approximately S\$2.59 million as at 31 December 2024 and further to approximately S\$3.94 million as at 30 June 2025 with the gearing ratio reaching around 0.41 as at 30 June 2025, cash and cash equivalents of the Group decreased significantly from approximately S\$5.35 million as at 31 December 2024 to a mere approximately S\$1.77 million as at 30 June 2025. The decline in cash reserves highlighted the Group’s substantial cash requirements, was primarily due to the operating loss during 1H2025 and the deposit paid for the purchase of electric vehicles for the expansion into car leasing business in Singapore. Despite the Company having conducted two rounds of placing of new shares in 2025 which had raised net proceed in aggregate of approximately HK\$20.7 million, as at the Latest Practicable Date,

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we understand that all proceeds had been utilised (including the proceeds for ready-made food and smart kitchen solutions businesses) in accordance with the intended use as disclosed in the relevant announcements.

Furthermore, we understand that the new business primarily involving online digital marketing would be led by two Directors namely Mr. Wang Lei and Ms. Wu Mengmeng and three other people in charge. In this regard, we had reviewed their experiences and noted that all of them are experienced in relevant areas within the digital marketing and sales-related sector such as ecommerce and online marketing/advertising/sales with more than 10 years of relevant experience on average. As such, it is considered that the Company is capable of developing and operating the Potential Digital Marketing Business.

In light of the Group's current financial position and business performance, we believe that the proceeds from the Rights Issue are critical to replenishing working capital and supporting the Group's business diversification plans. Without this fundraising initiative, the Group may face challenges in sustaining its operations and executing its business strategy.

Having considered all the above, we consider the Group's reasons for proceeding with the Rights Issue to be fair and reasonable.

2.2 *Financing alternatives*

As disclosed in letter from Board of the Circular, other than the Rights Issue, the Company has considered other debt/equity fund-raising alternatives such as bank borrowings, placing or open offer. The Company has approached 3 banks for possibility in obtaining debt financing but the results were negative. Additionally, 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. We have also discussed with the Management and were given to understand that certain banks had rejected additional bank borrowings to the Group given the current financial position of the Group. We concur with the view of the Directors that debt financing would result in additional interest burden and possible pledge of certain assets or securities of the Company and create additional pressure to the liquidity and flexibility of the Company, which may not be beneficial to the Group in view of the latest financial position of the Group as discussed above.

As disclosed in letter from Board of the Circular, 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

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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). We concur with the Management that placing and open offer are not preferred over the Rights Issue mainly because placing of new shares dilutes the interests of existing Shareholders without giving them the opportunity to take part in the exercise and as opposed to open offer, the Rights Issue allows the Shareholders to sell the Rights Shares in the market.

In totality, after considering other financing alternatives as discussed above, we concur that raising funds by way of the Rights Issue is in the interests of the Company and its shareholders as a whole.

3. Details of the Rights Issue

3.1 *Rights Issue statistics*

Basis of the Rights Issue:	Five (5) Rights Shares for every one (1) Share held by at the close of business on the Record Date
Subscription Price:	HK\$0.35 per Rights Share
Number of Shares in issue as at the Latest Practicable Date:	57,600,000 Shares
Number of Rights Shares:	Up to 288,000,000 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 pursuant to the terms of the proposed Rights Issue represents (i) 500% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 83.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares

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Aggregated nominal value of the Rights Shares:	Up to HK\$36,000,000 (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 345,600,000 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\$100.80 million
Net Proceeds from the Rights Issue:	Up to approximately HK\$96.97 million
Net price (i.e. Subscription Price less cost and expenses incurred in the Rights Issue):	Approximately HK\$0.337 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:	<p>Any Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements</p> <p>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</p>

Further details of the principal terms of the Rights Issue are outlined in the Letter from the Board in the Circular.

As disclosed in letter from Board of the Circular, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.

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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. 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.

3.2 Placing Agreement for the Unsubscribed Rights Shares and ES Unsold Rights Shares

Date: 4 November 2025

Issuer: The Company

Placing Agent: Yuet Sheung International Securities Limited

The Placing Agent confirms that it and its ultimate beneficial owner(s) are Independent Third Parties

Placing Period: The period commencing from Wednesday, 28 January 2026 and ending at 6:00 p.m. on Tuesday, 3 February 2026 or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Placing

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Commission:	Subject to completion of the Placing taking place, the Company shall pay a placing commission in Hong Kong Dollars, of 2.5% of the actual gross proceeds from the subscription of the Unsubscribed Rights Shares and the ES Unsold Rights Shares under the Placing
Placing price of the Unsubscribed Rights Shares and ES Unsold Rights Shares:	<p>The placing price of the Unsubscribed Rights Shares and ES Unsold Rights Shares shall be not less than the Subscription Price</p> <p>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</p>
Placees:	<p>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 places</p> <p>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</p>
Ranking:	The placed Unsubscribed Rights Shares and ES Unsold Rights Shares (when allotted, issued and fully paid, if any) shall rank <i>pari passu</i> in all respects among themselves and with the Shares in issue as at the date of completion of the Rights Issue

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Conditions of the
Placing Agreement:

The obligations of the Placing Agent under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled:

- (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 (subject to customary conditions) and such approval not having been withdrawn or revoked;
- (ii) the Increase in Authorised Share Capital having become effective;
- (iii) the passing of all necessary resolutions to be proposed at the EGM to be convened to consider and, approve, among others, the Rights Issue, the Increase in Authorised Share Capital and the transactions contemplated thereunder;
- (iv) 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;

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- (v) 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
- (vi) the Placing Agreement not having been terminated 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 Wednesday, 4 February 2026 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.

As at the Latest Practicable Date, save for conditions (i), (ii), (iii) and (v), all of the above conditions have been fulfilled.

Further details of the principal terms of the Placing Agreement are outlined in the Letter from the Board in the Circular.

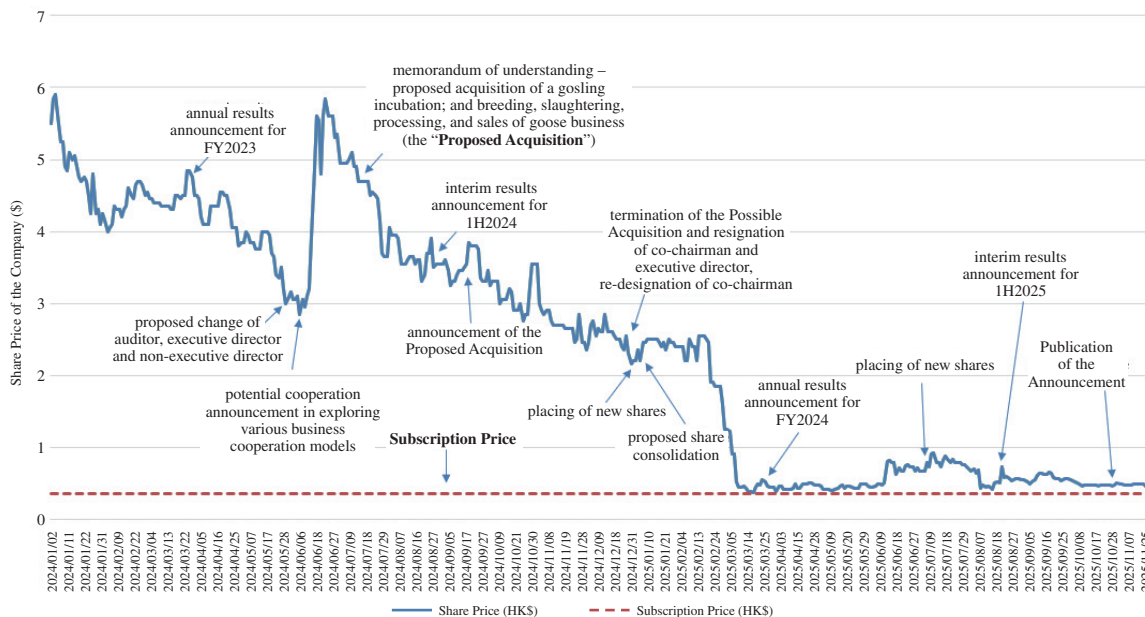
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4. Evaluation of the terms of the Rights Issue and the Placing

4.1 Historical closing prices and trading liquidity of the Shares

(a) Review of historical Shares closing prices

The following share price chart illustrates the daily closing price of the Shares as quoted on the Hong Kong Stock Exchange, during the period from 2 January 2024 up to and including the Latest Practicable Date (the “**Review Period**”) against the Issue Price of HK\$0.35 per Rights Share. We consider the Review Period to be sufficient in reflecting the recent trading pattern of the Shares.



Source: The Hong Kong Stock Exchange

Note: The Company announced a share consolidation on 9 January 2025 pursuant to which every fifty (50) issued and unissued existing Shares in the share capital of the Company were consolidated into one (1) consolidated Share. The Share consolidation became effective on 20 February 2025. The prices shown in the chart above reflected the share consolidation.

For illustrative purposes, the Subscription Price represents:

- a discount of approximately 27.84% to the closing price of HK\$0.485 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- a discount of approximately 23.91% to the closing price of HK\$0.460 per Share as quoted on the Stock Exchange on the Last Trading Day;

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- (iii) a discount of approximately 25.69% to the average of the closing prices of HK\$0.471 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 25.69% to the average of the closing prices of approximately HK\$0.471 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day; and
- (v) a discount of approximately 4.89% to the theoretical ex-rights price of approximately HK\$0.368 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.460 per Share as quoted on the Stock Exchange on the Last Trading Day.

We note from the chart above that, during the Review Period, the closing price of the Shares has been demonstrated an overall downward trend from roughly the high of HK\$5.90 per Share to the low of HK\$0.36 per Share, with an average closing price of approximately HK\$2.45 per Share.

As shown in the chart above, closing price per Share fell remarkably from HK\$5.85 on 3 January 2024 to HK\$4.00 on 5 February 2024 then fluctuated between HK\$4.05 and HK\$4.85 during the period between 6 February and 28 March 2024. Closing price per Share dropped by approximately 5.26% from HK\$4.75 on 28 March 2024 to HK\$4.50 each on 2 April 2024, being the first trading day after the publication of the annual results of the Company for FY2023 on 28 March 2024 (after trading hours). Since then the Share closing price continued to fall and reached a then low of HK\$2.85 per Share on 7 June 2024. Share closing price rebounded of approximately 7.02% to HK\$3.05 each on 11 June 2024 after the publication of the memorandum of understanding regarding a strategic cooperation with a Chinese company to explore various business cooperation models on 7 June 2024 (after trading hours).

As shown in the chart above, a significant surge of the Share closing price was observed from HK\$2.95 per Share on 12 June 2024 to a high of HK\$5.85 per Share on 25 June 2024. According to the Management, the Management was not aware of any specific reasons for such Share price movements. Share closing price then led a gradual downward trend again and fell to HK\$2.35 per Share on 30 December 2024, for which the Management was not aware of any specific reasons for such Share price movements. Closing price per Share was marginally rebounded by around 8.51% to HK\$2.55 each on 31 December 2024 following the Company's announcement on 30 December 2024 (after trading hours) in relation to the termination of a proposed acquisition that was initially announced on 16 July 2024 and resignation of co-chairman and executive director and re-designation of co-chairman. Share closing price then gradually fell to HK\$2.20

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per Share on 7 January 2025. Share closing price then increased by approximately 6.82% to HK\$2.35 each on 8 January 2025, being the first trading day after the publication of the placing of new Shares under general mandate announcement on 7 January 2025 (after trading hours). Share price continued to increase by approximately 11.36% to HK\$2.45 each on 10 January 2025 from HK\$2.20 each on 9 January 2025, being the first trading day after the publication of the proposed Share consolidation announcement on 9 January 2025 (after trading hours). Share closing price fluctuate between HK\$2.20 and HK\$2.55 per Share during the period from 13 January 2025 to 24 February 2025.

A substantial decline of Share closing price was noted from HK\$2.45 per Share on 24 February 2025 to a low of HK\$0.36 each on 21 March 2025. We have discussed and understand from the Management that they were not aware of any reason contributing to the Share closing price movement during the period. On 31 March 2025 (after trading hours), the Company published the annual results announcement for FY2024 and the Share closing price further dropped by around 4.35% from HK\$0.46 each on 31 March 2025 to HK\$0.44 each on 1 April 2025. Since then and until 14 July 2025, Share closing price of the Company continued to stay at a relatively low level and fluctuated between HK\$0.38 each and HK\$0.82 each.

On 14 July 2025 after trading hours, the Company announced another placing of new Shares under general mandate, Share closing price of the Company increased from HK\$0.73 on 14 July 2025 by approximately 23.29% to HK\$0.90 per Share on 15 July 2025.

Share closing price then resumed its downward trend to decrease from HK\$0.92 per Share on 16 July 2025 to reach HK\$0.46 per Share on the Last Trading Day. Following the publication of the Announcement, closing price per Share remained slightly above the Subscription Price with fluctuation in a tight range between HK\$0.45 and HK\$0.50 each, and was HK\$0.485 on the Latest Practicable Date.

(b) Historical trading liquidity of the Shares

Set out below in the table are the average daily trading volume of the Shares and the percentages of the average daily trading volume to the number of total issued Shares and public float of the Company respectively during the Review Period.

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	Average daily trading volume of the Shares (Note 3)	Approximate % of average daily trading volume to the number of total issued Shares (Notes 1, 3)	Approximate % of average daily trading volume to the public float of the Company (Notes 2, 3)
2024			
January	17,500	0.00%	0.00%
February	2,226	0.00%	0.00%
March	4,710	0.00%	0.00%
April	4,095	0.00%	0.00%
May	9,924	0.00%	0.00%
June	15,462	0.00%	0.00%
July	2,391	0.00%	0.00%
August	4,659	0.00%	0.00%
September	5,411	0.00%	0.00%
October	7,852	0.00%	0.00%
November	9,510	0.00%	0.00%
December	6,445	0.00%	0.00%
2025			
January	9,868	0.00%	0.00%
February	12,140	0.03%	0.04%
March	272,341	0.57%	0.89%
April	26,763	0.06%	0.09%
May	18,005	0.04%	0.06%
June	230,752	0.48%	0.76%
July	249,005	0.43%	0.62%
August	1,011,257	1.76%	2.53%
September	245,036	0.43%	0.61%
October	202,876	0.35%	0.51%
November (up to and including the Last Trading Day)	8,550	0.01%	0.02%
November (up to and including the Latest Practicable Date)	41,965	0.07%	0.10%

Source: The Hong Kong Stock Exchange

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Notes:

- (1) The calculation is based on the average daily trading volume of the Shares for the respective month over the number of total issued Shares for the same month based on the monthly return published.
- (2) The total number of Shares held by the public for the respective month is calculated based on the total number of issued Shares excluding those held by Mr. WANG Lei, Mr. CHEN Huichun and Mr. LI Jie.
- (3) The Company announced a share consolidation on 9 January 2025 pursuant to which every fifty (50) issued and unissued existing Shares in the share capital of the Company were consolidated into one (1) consolidated Share. The Share consolidation became effective on 20 February 2025. The trading volume shown in the table above reflects the share consolidation.

During the Review Period, the average daily trading volume of the Shares ranged from a low of approximately 0.00% and up to a high of approximately 1.76% to the total number of issued Shares as at the end of relevant month and when compared to public float of the Company, the average daily trading volume of Shares was also exceptionally thin. The average daily trading volume of the Shares to the total number of Shares under public float ranged between approximately 0.00% and approximately 2.53%.

We note that the Subscription Price represents a discount to the prevailing market closing price per Share and a discount of around 65.45% to the equity attributable to owners (“NAV”) of the Company per Share of approximately HK\$1.013 as at 30 June 2025. Given the thin trading volume of the Shares as illustrated above, we concur with the view of the Directors that it is necessary to provide adequate incentive to encourage the Shareholder and potential investors to participate in the Rights Issue in order to achieve the fundraising objectives. In addition and as illustrated further in the section “4.3 Comparable issuances” below, pricing of the subscription price at a discount to the prevailing market price and to the latest net assets per share is a common market practice to enhance the attractiveness of rights issue transactions. Having considered the above, together with the latest financial position and performance of the Group as well as the reasons for and benefits of the Rights Issue, we consider the Subscription Price being at a discount to the prevailing market price is considered reasonable.

4.2 Comparable issuances

To further assess the fairness and reasonableness of the terms of the Rights Issue, we have conducted our independent research based on comparable analysis through identifying rights issues by companies listed on the Stock Exchange between 1 June 2025 and the Latest Practicable Date. Our selection criteria is to include such rights issues that were announced and not terminated as at the Latest Practicable Date. We consider the criteria chosen to be fair and reasonable as it reflects the prevailing

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market environment. Based on the aforementioned criteria, on a best effort basis, we have noted and reviewed 42 similar issues (together as the “Comparable Issues”) which are considered exhaustive.

Notwithstanding that the subject companies constituting the Comparable Issues may have different principal activities, market capitalisation, profitability and financial position as compared with those of the Company, and different reasons for their respective fund-raising activities, we would still consider, in light of our selection criteria, capturing recent rights issues by listed companies (or their subsidiaries) under similar market conditions and sentiments can provide Shareholders with a broad perspective of recent market trend of this type of transaction which is similar to that of the Rights Issue.

Announcement date	Name of listed companies	Stock code	Basis of entitlement (rights shares to existing shares held)	Premium/(discount) of the rights price over/to the		Closing price on the last trading day	Latest published NAV per share (Note 1)	Theoretical ex-rights price	Theoretical dilution effect	Underwritten	Placing commission
				average closing price of the share over the last 5 consecutive trading days prior to/upto and including the last trading day/date of agreement	average closing price of the share over the last 10 consecutive trading days prior to/upto and including the last trading day/date of agreement						
21 Nov 2025	Crown International Corporation Limited	727	3:1	-19.75%	-26.14%	-27.00%	-44.85%	-5.80%	19.53%	No	NA
19 Nov 2025	Silkwave Inc	471	3:1	-31.06%	-32.29%	-31.58%	-62.81%	-10.13%	24.51%	No	NA
12 Nov 2025	Domaine Power Holdings Limited	442	1:2	-17.44%	-15.88%	-17.15%	65.12%	-12.35%	5.81%	No	N/A
6 Nov 2025	Winto Group (Holdings) Limited	8238	3:1	-6.98%	-6.10%	-10.31%	N/A	-1.96%	5.12%	No	3.00%
2 Nov 2025	KNT Holdings Limited	1025	1:1	-9.09%	-10.71%	-13.79%	48.15%	-4.76%	9.39%	No	3.00%
24 Oct 2025	IRC Limited	1029	1:2	-16.39%	-17.21%	-17.21%	-61.10%	-12.17%	9.76%	Yes	1.25% (Note 6)
24 Oct 2025	Sandmartin International Holdings Limited	482	1:1	2.70%	-9.00%	-11.50%	N/A	-6.37%	5.99%	No	N/A
24 Oct 2025	Jiading International Group Holdings Limited	8153	1:2	-38.78%	-37.11%	-37.76%	-76.26%	-29.69%	12.93%	No	2.00%
22 Oct 2025	Crocodile Garments Limited	122	1:2	-22.68%	-22.44%	-22.92%	-92.46%	-16.34%	7.56%	No	N/A
17 Oct 2025	World Super Holdings Limited	8612	3:1	23.46%	19.05%	17.65%	669.23%	5.26%	0.00%	No	2.50%

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Announcement date	Name of listed companies	Stock code	Basis of entitlement (rights shares to existing shares held)	Premium/(discount) of the rights price over/to the				Theoretical ex-rights price	Theoretical dilution effect	Underwritten	Placing commission	
				Closing price on the last trading day	average closing price of the share over the last 5 consecutive trading days prior to/up to and including the last trading day/date of agreement	average closing price of the share over the last 10 consecutive trading days prior to/up to and including the last trading day/date of agreement	Latest published NAV per share (Note 1)					
15 Oct 2025	Synertone Communication Corporation	1613	2:1	-35.7%	-35.7%	-36.7%	-43.8%	-15.6%	23.8%	No	1.0%	
15 Oct 2025	Winshine Science Company Limited	209	7:1	-23.5%	-24.3%	-27.1%	N/A	-4.1%	21.1%	Yes	N/A	
9 Oct 2025	Hao Bai International (Cayman) Limited	8431	4:1	-19.2%	-27.1%	-26.3%	59.1%	-4.6%	23.2%	No	1.5%	
9 Oct 2025	CCIAM Future Energy Limited	145	1:2	-18.6%	-19.1%	-19.9%	-6.1%	-13.1%	6.6%	No	Fixed at HK\$100,000	
5 Oct 2025	Fire Rock Holdings Limited	1909	1:2	-20.2%	-27.9%	-24.4%	195.7%	-14.6%	9.1%	Yes	Fixed at HK\$100,000	
3 Oct 2025	Macau Legend Development Limited	1680	1:2	-45.5%	-44.4%	-46.4%	-88.5%	-36.2%	15.8%	Yes	N/A	
2 Oct 2025	China New Economy Fund Limited	80	1:2	-29.3%	-27.2%	-28.1%	775.0%	-21.7%	9.7%	No	N/A	
26 Sep 2025	Perfectech International Holdings Limited	765	1:2	-18.1%	-20.7%	-19.8%	152.1%	-12.7%	7.0%	No	N/A	
22 Sep 2025	Gameone Holdings Limited	8282	1:2	1.7%	-1.0%	-2.9%	-3.2%	1.1%	0.6%	Yes	N/A	
19 Sep 2025	Immunotech Biopharm Ltd	6978	1:5	-47.7%	-47.8%	-50.2%	N/A	-43.2%	8.1%	Yes	N/A	
15 Sep 2025	Zhong Jia Guo Xin Holdings Company Limited	899	2:1	-33.6%	-35.2%	-42.6%	-97.9%	-14.5%	-24.8%	No	5.0%	
10 Sep 2025	China Automotive Interior Decoration Holdings Limited	48	3:2	-29.7%	-29.3%	-28.8%	-88.1%	-14.5%	17.8%	Yes	1.5%	
4 Sep 2025	Aeso Holding Limited	8341	2:1	-25.7%	-23.1%	-26.0%	-83.0%	-10.4%	17.1%	No	2.5%	
4 Sep 2025	Many Idea Cloud Holdings Limited	6696	6:1	-22.1%	-24.6%	-26.9%	-90.5%	-4.9%	20.6%	No	0.2%	
26 Aug 2025	Jisheng Group Holdings Limited	8133	3:1	-14.3%	-14.3%	-16.7%	-45.5%	-4.2%	10.6%	No	1.5%	

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Announcement date	Name of listed companies	Stock code	Basis of entitlement (rights shares to existing shares held)	Premium/(discount) of the rights price over/to the							Placing commission
				Closing price on the last trading day	average closing price of the share over the last 5 consecutive trading days prior to/up to and including the last trading day/date of agreement	average closing price of the share over the last 10 consecutive trading days prior to/up to and including the last trading day/date of agreement	Latest published NAV per share (Note 1)	Theoretical ex-rights price	Theoretical dilution effect	Underwritten	
14 Aug 2025	China Energy Development Holdings Limited	228	1:2	-19.9%	-19.9%	-21.5%	-73.3%	-14.2%	6.6%	No	N/A
13 Aug 2025	China Information Technology Development Limited	8178	3:8	-55.1%	-55.2%	-55.4%	-63.0%	-47.1%	15.1%	Yes	N/A
13 Aug 2025	Capital VC Limited	2324	1:1	-27.3%	-24.8%	-25.0%	-82.0%	-15.8%	13.6%	No	3.0% (Note 5)
6 Aug 2025	Value Convergence Holdings Limited	821	2:1	-4.3%	-5.9%	-1.2%	-71.1%	-1.5%	3.1%	No	2.5%
4 Aug 2025	Tomo Holdings Limited	6928	1:2	-62.1%	-63.2%	-65.4%	25.0%	-52.2%	21.3%	No	1.0%
30 Jul 2025	Da Yu Financial Holdings Limited	1073	1:2	-16.7%	-18.9%	-18.4%	-45.5%	-11.8%	6.7%	No	N/A
25 Jul 2025	Shin Hwa World Limited	582	1:1	-34.2%	-33.1%	-34.0%	-97.1%	-17.1%	17.1%	Yes	N/A
23 Jul 2025	Future Machine Limited	1401	1:2	-72.3%	-72.3%	-72.3%	-28.6%	-63.5%	24.1%	No	1.0%
10 Jul 2025	XJ International Holdings Co., Ltd.	1765	1:8	5.8%	7.0%	9.9%	-83.7%	5.3%	0.0%	Yes	0.5% (Note 4)
8 Jul 2025	Alco Holdings Limited	328	4:1	-19.0%	-19.0%	-12.8%	N/A	-4.6%	15.5%	No	1.5%
7 Jul 2025	Sanergy Group Limited	2459	1:2	-55.6%	-56.3%	-56.7%	-89.0%	-45.5%	18.8%	No	3.5% (Note 3)
25 Jun 2025	Sino Splendid Holdings Limited	8006	3:2	-11.1%	-12.1%	-13.0%	-52.4%	-4.8%	6.7%	No	2.5%
17 Jun 2025	Risecomm Group Holdings Limited	1679	5:1	-22.5%	-21.6%	-22.1%	N/A	-4.6%	18.7%	No	0.5%
10 Jun 2025	Greenheart Group Limited	94	1:2	-9.3%	-5.0%	-6.9%	-88.8%	-6.4%	3.0%	No	2.0% (Note 2)
10 Jun 2025	Pinestone Capital Limited	804	3:2	-40.7%	-41.6%	-40.3%	-75.6%	-22.1%	24.9%	No	5.0%
4 Jun 2025	Howkingtech International Holding Limited	2440	1:2	-49.7%	-50.0%	-48.6%	50.2%	-40.0%	16.7%	No	N/A
2 Jun 2025	Lyji Technology Holdings Inc.	1745	1:2	-32.1%	-33.1%	-37.1%	-72.6%	-24.1%	11.3%	Yes	N/A
			Maximum	23.46%	19.05%	17.65%	775.00%	5.26%	24.93%		5.00%
			Minimum	-72.28%	-72.28%	-72.28%	-97.87%	-63.48%	0.00%		0.20%
			Average	-24.84%	-25.82%	-26.55%	6.47%	-16.13%	12.85%		2.08%
			Median	-22.28%	-24.43%	-25.50%	-61.96%	-12.54%	12.12%		2.00%
	The Company		5:1	-23.91%	-25.69%	-25.69%	-65.45%	-4.89%	21.67%	No	2.50%

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notes:

- (1) N/A means the subject listed company was in net liability position as at the date of the relevant announcement.
- (2) Fee payable was 2% with a fixed fee of HK\$150,000
- (3) Fee payable was 3.5% and a discretionary commission up to HK\$1.0 million
- (4) Minimum fee payable was the higher of 0.5% and HK\$50,000
- (5) Minimum fee payable was the higher of 3% and HK\$100,000
- (6) Minimum fee payable was a fixed fee of HK\$15,000 plus the higher of 1.25% and HK\$85,000

As set out in the table above, we note that the discounts as represented by the Subscription Price to the closing price of the Shares on the Last Trading Day, the five and ten consecutive trading days prior to the Last Trading Day, the NAV per Share and the theoretical ex-rights price are all within the respective ranges, and are predominately in line with the respective average and/or median as represented by the Comparable Issues. Therefore, we are of the view that the Subscription Price is acceptable and in line with recent market transactions.

We noted the wide range of the premium/discount of the subscription price of the Comparable Issues to their respective benchmarked closing prices or net assets value per share, in particular, the significant premiums of subscription price over NAV per share under the rights issue exercise of World Super Holdings Limited (8612.HK) and China New Economy Fund Limited (0080.HK). However, we have reviewed and are not aware of any specific reasons for the wide range of the premium/discounts in the subscription prices of the Comparable Issues against their respective closing prices and/or net asset value per share. In the absence of a compelling justification to exclude outliers from the Comparable Issues, we consider it reasonable to include all of them in our analysis in order to minimise potential bias and ensure a more accurate representation of the data. As such, despite the wide range of the premium/discount of the subscription price of the Comparable Issues to their respective benchmarked closing prices or NAV per share, and given that the Comparable Issues provide a general reference for the latest market practice of rights issue exercises of listed companies on the Stock Exchange with a reasonable sample size, we are of the view that such comparable analysis is meaningful for assessing the fairness and reasonableness of the Subscription Price.

As shown in the table above, the theoretical dilution effect of the Rights Issue of approximately 21.67% is within the range of the Comparable Issues from nil to approximately 24.93% and is above both the average and median of approximately 12.85% and 12.12% of the Comparable Issues. Given that such theoretical dilution effect is necessitated by the Company's funding needs and is below 25% as required under the GEM Listing Rules, it is considered justifiable and in line with the market.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We understand from the Company that it had previously approached 3 financial institutions but none of them expressed an interest in underwriting the Rights Issue. We further note from the table above that it is a common market practice for rights issue to be conducted on a non-underwritten basis and as such, we are of the view that the Rights Issue being on a non-underwritten basis is in line with the general market practice and is acceptable.

From the table as set out above, we noted that the commission rates payable to placing agents of the Comparable Issues ranged from 0.20% to 5.00%. The placing commission under the Placing of 2.50% is within the range of commission rates payable under the Comparable Issues and is close to the average commission rates payable under the Comparable Issues of approximately 2.08%. As such, we are of the opinion that the placing commission under the Placing is fair and reasonable.

5. Dilution effect of the Rights Issue on the Shareholding interests

All Qualifying Shareholders are entitled to subscribe for the Rights Shares. For those Qualifying Shareholders who take up their full provisional allotments under the Rights Issue, their shareholding interests in the Company will remain unchanged after the Rights Issue. Qualifying Shareholders who do not take up 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. However, they should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue.

For those Qualifying Shareholders who do not take up their full provisional allotments under the Rights Issue, depending on the extent to which they subscribe for the Rights Shares, their shareholding interests in the Company upon completion of the Rights Issue will be diluted by up to a maximum of approximately 83.3%. It should be noted that the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including but not limited to the results of acceptance of the Rights Issue.

Having considered (i) the reasons for and benefits of the Rights Issue as discussed in details in section headed “2. Reasons for and benefits of the Rights Issue and use of proceeds” above; (ii) the theoretical dilution effect of the Rights Issue is within the range of the Comparable Issues and is in compliance with the GEM Listing Rules; (iii) all Qualifying Shareholders are offered an equal opportunity to participate in the enlargement of the capital base of the Company and Shareholders’ interests in the Company will not be diluted if they elect to exercise their full provisional allotments under the Rights Issue; and (iv) the Qualifying Shareholders have the opportunity to sell their nil-paid rights to subscribe for the Rights Shares in the market if they do not wish to take up the Rights Issue entitlements, we are of the view that the potential dilution effect on the shareholding is, on balance, justifiable.

6. Potential financial effects of the Rights Issue

The unaudited pro forma statement of adjusted condensed consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2025 (the “**Pro Forma Statement**”), which is prepared as if the Rights Issue had taken place on 30 June 2025, is set out under Appendix II to the Circular. According to the Pro Forma Statement, the unaudited condensed consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 was approximately S\$9.7 million (or approximately S\$0.20 per Share), and would become approximately S\$26.0 million or approximately S\$0.08 per Share (based on 288,000,000 Rights Shares to be issued) immediately after the completion of the Rights Issue as if the Rights Issue had taken place on 30 June 2025. Despite the dilution of the net tangible asset value per Share upon completion of the Rights Issue due to the increase in the number of issued Shares as a result of the Rights Issue and the fact that the Subscription Price is at a discount to the unaudited consolidated net tangible assets per Share as of 30 June 2025, the unaudited pro forma adjusted condensed consolidated net tangible assets of the Group attributable to the owners of the Company would increase by approximately S\$16.3 million, indicating an expansion in total equity of the Company, the Rights Issue is considered strengthening the financial position of the Group.

Current ratio of the Group was around 1.63 times at 30 June 2025. Upon the completion of the Rights Issue, cash and cash equivalents under current assets would increase and loan from Mr. Wang under trade and other payables of current liabilities would be reduced following the loan repayment with part of the fund raised under the Rights Issue. The current ratio would therefore be improved upon completion of the Rights Issue. Furthermore, the Group’s gearing ratio, which is measured on the basis of the Group’s total debts divided by equity attributable to owners of the Company, was approximately 0.41 times as at 30 June 2025. Upon the completion of the Rights Issue, total equity will be enlarged due to increase in Shares issued from the exercise. Therefore, the gearing ratio would be reduced upon completion of the Rights Issue. Hence, the Directors consider that the Rights Issue will enable the Group to improve the financial position and liquidity of the Group.

Having considered the above, in particular the expected improvement in liquidity of the Group, we are of the view that the Rights Issue is in the interests of the Company and the Shareholders.

We draw attention to the Independent Shareholders that the above analysis is based on full subscription basis. It should be noted that the aforementioned analyses are for illustrative purpose only and do not purport to represent how the financial position of the Group will be upon completion of the Rights Issue. Subject to the fulfilment of conditions, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Having considered of the above principal factors and reasons, we consider that, though the Rights Issue is not in the ordinary and usual course of the business of the Company, terms of the Rights Issue and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and is in the interest of the Company and its Shareholders as a whole. We therefore advise that the Independent Shareholders, and the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the ordinary resolution to be proposed at the EGM.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
Lyan Tam
Director

Ms. Lyan Tam is a licensed person registered with the Securities and Futures Commission and as a responsible officer of Somerley to carry out Type 6 (advising on corporate finance) regulated activities under the SFO and has over 20 years of experience in corporate finance industry.

A. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the three years ended 31 December 2022, 2023 and 2024 and for the six months ended 30 June 2025 are disclosed in the annual reports of the Company for the years ended 31 December 2022, 2023 and 2024 and in the interim report of the Company for the six months ended 30 June 2025. The said annual reports and interim report of the Company are published on both the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (<http://www.zhongshiminanholdings.com>):

- annual report of the Company for the year ended 31 December 2022 from pages 47 to 115 published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0328/2023032802275.pdf>);
- annual report of the Company for the year ended 31 December 2023 from pages 52 to 117 published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0423/2024042300922.pdf>);
- annual report of the Company for the year ended 31 December 2024 from pages 49 to 117 published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/gem/2025/0425/2025042503851.pdf>); and
- interim report of the Company for the six months ended 30 June 2025 from pages 5 to 20 published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/gem/2025/0829/2025082903270.pdf>).

B. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 October 2025, being the most recent practicable date for the purpose of indebtedness statement of the Group prior to the printing of this circular, the Group had the following outstanding indebtedness:

	<i>S\$'000</i>
Lease liabilities – unsecured and unguaranteed	1,083
Borrowings – secured and guaranteed	1,641
Amount due to a director – unsecured and unguaranteed	2,842
	<hr/>
	5,566
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The borrowings are secured by the legal assignment of the life insurance policy and personal guarantee given by a director of the Group's subsidiaries.

Save as aforesaid, as at 31 October 2025 being the most recent practicable date for the purpose of this indebtedness statement prior to the printing of this circular, and apart from the intra-group liabilities, the Group did not have any debt securities issued and outstanding, any authorised or otherwise created but unissued, term loans, other borrowings, indebtedness in nature of borrowings including bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase commitments, debentures, mortgages, charges, recognised lease liabilities, which are either guaranteed, unguaranteed, secured, or unsecured, or other contingent liabilities or guarantees outstanding at the close of business.

C. WORKING CAPITAL STATEMENT

The Directors, after due and careful consideration, are of the opinion that, taking into consideration the estimated net proceeds from the Rights Issue and the financial resources available to the Group including internally generated funds, bank and other facilities, the working capital available to the Group is sufficient for the Group's requirements for at least 12 months from the date of this circular.

D. MATERIAL ADVERSE CHANGE

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

E. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company is an investment holding company. The Company's subsidiaries are principally engaged in the passenger car service industry and offer a comprehensive range of passenger car services including: (1) maintenance and repair of services; (2) modification, tuning and grooming services and trading of spare parts, accessories and passenger cars; (3) provision of motor finance services; and (4) development, manufacturing and sale of ready-made food and smart kitchen solutions.

The Group has experienced a decline in revenue for three consecutive years since 2022, the Group must adapt to the ever-changing business environment to turnaround this situation. The Group's automotive and related business and the ready-made food and smart kitchen solutions business depends heavily on reputation, quality and most importantly, continuous public awareness on the products and services. In order to broaden the exposure of the Group's products and services to a wider and larger number of potential customers, the Group recognises innovation, adaption and reinvention remains as the key themes in this ever-changing world. Looking ahead in 2025, further integration of AI and advance technologies as well as building sustainable growth strategies will be the focus in the major economies. Following the backdrop of evolving market conditions and the increasing prevalence of technology, consumer purchase preferences are highly influenced by the mass adoption of online digital promotion and sales platforms like "Taobao", "Xiaohongshu" and "TikTok" etc. as well as the innovative sales and

marketing tactics of retailers and advertising service providers leveraging on these platforms. Precise creative market campaigns, such as embedding products/services into living scenarios, are strategically vital. They bridge the gap between a company's offerings and its long-term survival, growth, and competitive edge.

The Group is committed to adapt to the ever-changing market environment by developing its own innovative sales and marketing strategies. As such, the Group is currently planning to build its internal digital marketing unit. The marketing unit will leverage on the High Traffic Sales and Marketing Digital Platforms to produce its own content, live streaming advertisements and operational services to showcase the Group's services and products of the Group's automotive and related business and the ready-made food and smart kitchen solutions business to wide pool of potential customers as well as cooperate with suitable scenic spots, hotels and restaurants to launch embedded contextual experience activities for the Group's products, with an aim to drive traffic streams, new customer engagement scenarios, and eventually contribute new revenue channels for the Group's automotive and related business and the ready-made food and smart kitchen solutions business.

The core strategy of the Group is a dual-driver approach, meaning on one hand, co-operate with suitable partners to deeply embedding existing principal businesses such as automotive services, pre-made food and smart appliance solutions into local living scenarios both in the form of offline and online activities as above-mentioned, to explore new traffic and revenue sources.

On the other hand, leveraging on the future development of the digital marketing capabilities, the Group aims to provide content, live streaming, and operational services for potential customers in future, thereby opening up a potential new business which may potentially generate a second revenue growth curve and building a robust brand and data moat for the Group.

The Board will continue to review its business strategy with an aim to create value for the Company and its shareholders as whole. The Group will seek opportunities to gain exposure of its principal businesses by leveraging on different platforms, broadening its future revenue stream and enhancing the overall performance of the Group. Besides, the Group has been and will continue to keep actively exploring new business opportunities and plans to expand its business scope into the digitalized local lifestyle services sector to capitalize on the growth potential brought by new economic trends. In this regard, the Group plans to launch and AI-integrated Digital Smart Wine Cabinet within the year, which represents a significant breakthrough in industrial digital innovation. It adopts a model of "AI agent interaction + scenario-based experience + data-driven operation", providing multi-dimensional traffic empowerment for the local lifestyle sector.

The following is the text of a report received from the Company's reporting accountants, Rongcheng (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, prepared for the purpose of inclusion in this circular.

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

The Unaudited pro forma statement of adjusted condensed consolidated net tangible assets of the Group attributable to the owners of the Company (the “**Unaudited Pro Forma Financial Information**”) has been prepared by the Directors in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM operated by The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) to illustrate the effect of the Rights Issue on the condensed consolidated net tangible assets of the Group as if the Rights Issue had taken place on 30 June 2025.

The Unaudited Pro Forma Financial Information is prepared for illustrative purpose only and based on the judgements, estimates and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the condensed consolidated net tangible assets of the Group attributable to the owners of the Company immediately after completion of the Rights Issue or any future date after completion of the Rights Issue.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited condensed consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025, as extracted from the published interim condensed consolidated financial statements for the six months ended 30 June 2025 of the Company and is adjusted to reflect the effect of the Rights Issue as if the Rights Issue had been completed on 30 June 2025.

APPENDIX II

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

		Unaudited pro forma adjusted condensed consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 S\$'000 (Note 1)	Estimated net proceeds from the Rights Issue S\$'000 (Note 2)	Unaudited pro forma adjusted condensed consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue S\$'000	Unaudited condensed net tangible assets of the consolidated Group net tangible assets of the Group attributable to owners of the Company per share immediately after completion of the Rights Issue S\$ (Note 3)	Unaudited pro forma adjusted condensed consolidated net tangible assets of the Group attributable to owners of the Company per share immediately after completion of the Rights Issue S\$ (Note 4)	Unaudited pro forma adjusted condensed consolidated net tangible assets of the Group attributable to owners of the Company per share immediately after completion of the Rights Issue HK\$ (Note 5)
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Based on 288,000,000

Rights Shares to be issued
at Subscription Price of
HK\$0.35 per Rights Share

9,707	16,270	25,977	0.20	0.08	0.45
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Notes:

1. The unaudited condensed consolidated net tangible assets of the Group as at 30 June 2025 is extracted from the published condensed consolidated financial statements for the six months ended 30 June 2025 of the Company, which is equal to the unaudited condensed consolidated net assets attributable to owners of the Company as at 30 June 2025 of S\$9,722,000, after deducting intangible assets of approximately S\$15,000.
2. The estimated net proceeds from the Rights Issue of approximately S\$16,270,000, is calculated based on 288,000,000 Rights Shares assuming to be issued on the completion of the Rights Issue at the Subscription Price of HK\$0.35 per Rights Share and after deduction of estimated related expenses of approximately S\$643,000 (at exchange rate of S\$1.00 to HK\$5.96).
3. The unaudited condensed consolidated net tangible assets of the Group attributable to owners of the Company per share as at 30 June 2025 was S\$0.20, which was based on the unaudited condensed consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 of S\$9,707,000, divided by 48,000,000 Shares.

4. The unaudited pro forma adjusted condensed consolidated net tangible assets of the Group attributable to owners of the Company per share as at 30 June 2025 immediately after completion of the Rights Issue is calculated based on the unaudited pro forma adjusted condensed consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of Rights Issues of approximately S\$25,977,000, divided by 345,600,000 Shares which represents 57,600,000 Shares (including placing of new shares of 9,600,000 shares on 28 July 2025) and 288,000,000 Rights Shares, assuming the Rights Issue has been completed on 30 June 2025.
5. The unaudited pro forma adjusted condensed consolidated net tangible assets of the Group attributable to the equity owners of the Company per Share as at 30 June 2025 is converted to Hong Kong dollars at an exchange rate of S\$1.00 to HK\$5.96. No representation is made that Singapore Dollar amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate or at all.
6. Save as disclosed above, no adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2025.

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

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION**

To the Directors of Zhongshi Minan Holdings Limited

We have completed our assurance engagement to report on the compilation of the unaudited pro forma financial information of Zhongshi Minan Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted condensed consolidated net tangible assets of the Group as at 30 June 2025 and related notes as set out in Appendix II to the circular issued by the Company dated 28 November 2025 (the “**Circular**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described in Appendix II to the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed Rights Issue on the Group's financial position as at 30 June 2025 as if the Rights Issue had taken place at 30 June 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's interim condensed consolidated financial statements for the six months ended 30 June 2025, on which no review report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM operated by The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**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 (HKSQM) 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

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

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and 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 Listing Rules and with reference to AG 7 issued by the HKICPA.

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

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

A reasonable assurance engagement to report on whether the 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 event or transaction, and to obtain sufficient appropriate evidence about whether:

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

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction 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(7) of the GEM Listing Rules.

Yours faithfully,

Rongcheng (Hong Kong) CPA Limited
Certified Public Accountants
Hong Kong

28 November 2025

The following is a summary of the principal terms of the Scheme Rules. It does not form part of, nor is it intended to be part of the Scheme Rules and it should not be taken as affecting the interpretation of the Scheme Rules. The Board reserves the right at any time prior to the EGM to make such amendments to the 2025 Share Option Scheme as they may consider necessary or appropriate provided that such amendments do not conflict in any material aspects with the summary in this Appendix.

1. PURPOSE OF THE 2025 SHARE OPTION SCHEME

The purpose of the 2025 Share Option Scheme is to enable the Directors to grant Options to Eligible Participants as incentives or rewards (i) to recognise their contribution or potential contribution to the Group, and to enable the Company to recruit and retain key employees of the Group; (ii) to align their interests with those of the Company by providing them with the opportunity to acquire a proprietary interest in the Company; and (iii) to motivate them to contribute to the long-term growth and development of the Company with a view to enhance the value of the Company for the benefit of the Company and the Shareholders as a whole.

2. ELIGIBLE PARTICIPANTS OF THE 2025 SHARE OPTION SCHEME AND THE BASIS OF DETERMINING ELIGIBILITY OF ELIGIBLE PARTICIPANTS

2.1 Eligible Participants include the Employee Participants (which exclude independent non-executive Directors) and the Related Entity Participants.

2.2 In determining the basis of eligibility of, and the terms of grant of Options to each of the Eligible Participants, the Board will take into account different factors, his/her experience in the business of the Group, the length of his/her service with the Group, his/her contribution to the development and long-term growth of the Group and other factors as the Board may at its discretion consider appropriate. In particular, the Board would take into account, on a case-by-case basis, among other things, the following factors in assessing the eligibility of the relevant Eligible Participants:

- (a) with respect to Employee Participant: (i) their individual performance; (ii) their time commitment (full-time or part-time), responsibilities or employment conditions with reference to the prevailing market practice and industry standard; (iii) the length of their engagement with the Group; and (iv) their individual contributions or potential contributions towards the development and growth of the Group.
- (b) with respect to Related Entity Participant: (i) the positive impact brought by, or expected from, the Related Entity Participant on the Group's business in terms of, amongst other things, actual or expected change in the Group's revenue or profits and/or an addition of expertise to the Group attributable to them; (ii) the length of their collaborative relationship established with the Group; (iii) their participation and contribution to the development of the Group and/or the extent

of benefits and synergies brought to the Group, which may include the degree of their involvement in and/or cooperation with the Group; (iv) whether the Related Entity Participant have provided measurable assistance to improve any aspect of the Group's business such as to refer or introduce new business opportunities to the Group or increase its existing market share; and (v) the amount of actual or potential support, assistance, guidance, advice, effort and contribution that they are likely to be able to give or contribute towards the success of the Group.

3. SCHEME LIMIT

- 3.1 Unless further approval has been obtained pursuant to paragraphs 3.4 and/or 3.5, the total number of Shares which may be issued in respect of all Options to be granted under the 2025 Share Option Scheme and all options and awards under any other scheme(s) of the Company involving issue of new Shares is 10% of the total number of Shares in issue (excluding Treasury Shares, if any) (the “**Scheme Limit**”) as at the Adoption Date. For illustrative purpose and assuming there is no change in the number of total number of Shares as at the Latest Practicable Date (i.e. being 57,600,000 Shares) and the Adoption Date, the maximum number of new Shares that may be issued in respect of all Options to be granted under the 2025 Share Option Scheme together with all options and awards that may be granted under any other share schemes for the time being of the Company under the Scheme Limit is 5,760,000 Shares. The Company may either issue new Shares or transfer Treasury Shares to the relevant Grantee upon exercise of the Options granted under the 2025 Share Option Scheme. Options or awards lapsed in accordance with the terms of the 2025 Share Option Scheme and any other schemes of the Company will not be regarded as utilised for the purpose of calculating the Scheme Limit. Options or awards cancelled in accordance with the terms of the 2025 Share Option Scheme and any other schemes of the Company will be regarded as utilised for the purpose of calculating the Scheme Limit.
- 3.2 If the Company conducts a share consolidation or sub-division after the Scheme Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all options and awards to be granted under all of the schemes of the Company under the Scheme Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or sub-division shall be the same, rounded to the nearest whole Share.
- 3.3 Without prejudice to paragraph 3.4 below, the Company may seek approval by its Shareholders in a general meeting to refresh the Scheme Limit after three years from the (i) the Adoption Date or (ii) the date of the Shareholders' approval of the last refreshment, or at any time within the three-year period subject to the compliance with the applicable requirements under the GEM Listing Rules provided that the total number of Shares which may be issued in respect of all Options to be granted under the 2025 Share Option Scheme and all options and awards to be granted under any

other schemes of the Company under the Scheme Limit as refreshed must not, in aggregate, exceed 10% of the total number of Shares in issue (excluding Treasury Shares, if any), respectively as at the date of Shareholders' approval approving the refreshed Scheme Limit, and subject further to compliance with other requirements prescribed under the GEM Listing Rules from time to time.

3.4 Any refreshment of the Scheme Limit within any three-year period must be approved by Shareholders subject to the following provisions:

- (a) any controlling Shareholders and their associates (or if there is no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
- (b) the Company must comply with the requirements under Rules 17.47(6) and 17.47(7) and rules 17.47A, 17.47B and 17.47C of the GEM Listing Rules.

provided that the requirements under paragraphs (a) and (b) above do not apply if the refreshment is made immediately after an issue of securities by the Company to its Shareholders on a pro-rata basis as set out in Rule 17.41(1) of the GEM Listing Rules such that the unused part of the Scheme Limit (as a percentage of the relevant class of Shares in issue) upon refreshment is the same as the unused part of the Scheme Limit immediately before the issue of securities, rounded to the nearest whole share. The Company must send a circular to the Shareholders containing the number of Options that were already granted under the existing Scheme Limit, and the reason for the "refreshment".

3.5 The Company may seek separate approval by its Shareholders in general meeting for granting Options beyond the Scheme Limit (or the refreshed Scheme Limit, as the case may be) provided the Options in excess of the Scheme Limit or the refreshed Scheme Limit (as the case may be) are granted only to Eligible Participants specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing the name of each specified Eligible Participant who may be granted such Options, the number and terms of the Options to be granted to each Eligible Participant, and the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose. The number and terms of Options to be granted to such Eligible Participants must be fixed before Shareholders' approval. In respect of any Options to be granted, the date of the Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Exercise Price of such Options. The Scheme Limit shall be adjusted, in such manner as the Auditors or the approved independent financial adviser shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of the Company in accordance with paragraph 15 whether by way of sub-division or consolidation of

Shares of the Company but in any event shall not exceed the limits prescribed in this paragraph 3, as calculated on the basis of the new capital structure of the Company after completion of the relevant alteration.

4. INDIVIDUAL LIMIT

- 4.1 Subject to the Scheme Rules of the 2025 Share Option Scheme, where any grant of Options to a selected Eligible Participant under the 2025 Share Option Scheme would result in the Shares issued and to be issued in respect of all Options granted to him/her under the 2025 Share Option Scheme and any options and awards granted to such person under any other scheme(s) of the Company (excluding any options and awards lapsed in accordance with the rules of the relevant scheme(s) of the Company) in the 12-month period up to and including the Offer Date representing in aggregate over 1% of the total number of issued Shares (excluding Treasury Shares, if any) on the Offer Date, such grant of Options shall be approved by the Shareholders in general meeting with such selected Eligible Participant and his/her close associates (or associates if such selected Eligible Participant is a connected person) abstaining from voting.
- 4.2 The Company must send a circular to the Shareholders, which must disclose the identity of the Eligible Participant, the number and terms of the Options to be granted (and those options and awards previously granted to such Eligible Participant in the twelve (12)-month period), the purpose of granting Options to the Eligible Participant and an explanation as to how the terms of the Options serve such purpose. The number and terms of Options to be granted to such Eligible Participant must be fixed before Shareholders' approval. In respect of the Options to be granted, the date of Board meeting for proposing such further grant should be taken as the Offer Date for the purpose of calculating the Exercise Price.

5. GRANT AND ACCEPTANCE OF OPTION

- 5.1 (a) Subject to the terms of the 2025 Share Option Scheme and any applicable regulatory and legal requirements including, if appropriate, any codes of conduct, the Board may, at its absolute discretion, offer the grant to any Eligible Participants an Option to subscribe for such number of Shares at the Exercise Price as the Board may determine, provided that no such offer shall be made if a prospectus is required to be issued under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any applicable laws or if such grant will result in the breach by the Company or any of the Directors of any applicable securities laws and regulations in any jurisdiction.

- (b) Offers to grant an Option shall be open for acceptance in writing, which must be received by the company secretary of the Company on or before the relevant Acceptance Date provided that:
 - (i) no such offer shall be open for acceptance after ten years commencing from the Adoption Date; and
 - (ii) no such offer may be accepted by a person who ceases to be an Eligible Participants prior to his acceptance of the offer.
 - (c) All acceptances of offers shall be communicated to the company secretary of the Company in one of the following means:
 - (i) by personal delivery to the company secretary of the Company (in which case receipt shall be deemed to take place at the time of delivery); or
 - (ii) by post to the Company's principal place of business for the time being in Hong Kong and marked for the attention of the company secretary of the Company (in which case receipt shall be deemed to take place on the second Business Day following the date of posting or, in the case of post sent from outside Hong Kong, on the fifth Business Day following the date of posting by airmail); or
 - (iii) by facsimile transmission to the facsimile number of the Company's principal place of business for the time being in Hong Kong and marked for the attention of the company secretary of the Company (in which case receipt shall be deemed to take place upon completion of transmission in full).
 - (d) An Option shall be deemed to have been granted and accepted by the Grantee and to have taken effect when the duplicate offer document constituting acceptance of the Option duly signed by the Grantee, together with a remittance or payment in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the company secretary of the Company on or before the relevant Acceptance Date. Such remittance or payment shall in no circumstances be refundable.
- 5.2 Any offer to grant an Option may be accepted in respect of less than the number of Shares for which it is offered provided that it must be accepted in respect of a board lot for dealing in Shares on GEM or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting acceptance of the Option in the manner as set out in paragraph 5.1 above. To the extent that the offer to grant an Option is not accepted by the Acceptance Date, it shall be deemed to have been irrevocably declined.

6. PERIOD WITHIN WHICH THE OPTION MAY BE EXERCISED

Subject to the Scheme Rules, an Option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on GEM for the time being, by the Grantee by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. In order for the exercise of an Option to be effective, the company secretary of the Company must, prior to the expiry of the Option Period, have received:

- (a) a written notice from the Grantee to be given in any one of the manners set for in paragraph 5.1(b) exercising the Option, signed by or (in case of a corporation) on behalf of the Grantee and specifying the number of Shares in respect of which the Option is being exercised; and
- (b) payment in full of the Exercise Price.

Unless otherwise agreed between the Company and the Grantee, within 30 days of the date upon which the exercise of an Option becomes effective (being the date of such receipt), the Shares in respect of Option has been exercised shall be allotted and issued as fully paid and a share certificate in respect of the Shares so allotted shall be issued to the Grantee.

7. VESTING PERIOD OF OPTION

Notwithstanding any rights to be conferred on any Grantee upon the occurrence of any event(s) as disclosed in paragraphs 9, 10, 11 and 12 of this Appendix IV, the vesting period of any Options granted to any Eligible Participant under the 2025 Share Option Scheme, shall not be less than 12 months from (and including) the Offer Date except for Employee Participants. The vesting period in respect of any Options granted to Employee Participants may be less than 12 months from (and including) the Offer Date in any of the following circumstances:

- (a) grants of “make-whole” Options to new joiners to replace the awards or options they forfeited when leaving the previous employer;
- (b) grants of Options to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
- (c) grants of Options with performance-based vesting conditions in lieu of time-based vesting criteria;
- (d) grants of Options that are made in batches during a year for administrative and compliance reasons;

- (e) grants of Options with a mixed or accelerated vesting schedule such as where the Option may vest evenly over a period of 12 months; and
- (f) grants of Options with a total vesting and holding period of more than 12 months.

8. EXERCISE PRICE

The Exercise Price in relation to each Option offered to an Eligible Participant shall, subject to the adjustments referred to in paragraph 15, be determined by the Board in its absolute discretion but in any event must be at least the higher of:

- (a) the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the Offer Date, which must be a Business Day;
- (b) the average of the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five Business Days immediately preceding the Offer Date; and
- (c) the nominal value of a Share.

9. RIGHTS ON WINDING UP

An Option may be exercised by a Grantee at any time or times during the Option Period provided that, in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee (or in the case of the death of the Grantee, his Personal Representative(s)) shall be entitled to exercise all or any of his Options (to the extent not already exercised) at any time not later than 2 Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance or payment for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid and register the grantee as holder thereof.

10. RIGHTS ON A GENERAL OFFER (INCLUDING SCHEME OF ARRANGEMENT)

An Option may be exercised by a Grantee at any time or times during the Option Period provided that, if a general offer (whether by way of takeover offer, share repurchase offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or in concert with the offeror), the Company shall use its best endeavours to procure that such offer is extended to all the Grantees (on the same terms *mutatis mutandis*, and assuming that they shall become, by the exercise in full of the options granted to them, shareholders of the Company). If such offer, having been approved in accordance with applicable laws and regulatory requirements becomes, or is declared unconditional, the Grantee (or his legal personal representative(s)) shall be entitled to exercise his option in full (to the extent not already exercised) at any time within 14 days after the date on which such general offer becomes or is declared unconditional.

11. RIGHTS ON A COMPROMISE OR ARRANGEMENT

An Option may be exercised by a Grantee at any time or times during the Option Period provided that, if, pursuant to the Cayman Companies Act, a compromise or arrangement between the Company and its members and/or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all the Grantees (together with a notice of the existence of the provisions of this paragraph) on the same day as it despatches to members and/or creditors of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee shall be entitled to exercise all or any of his Options in whole or in part at any time prior to 12 noon (Hong Kong time) on the Business Day immediately preceding the date of the meeting directed to be convened by the relevant court for the purposes of considering such compromise or arrangement and if there is more than one meeting for such purpose, the date of the first meeting. With effect from the date of such meeting, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse and determine. The Board shall endeavour to procure that the Shares issued as a result of the exercise of Options in such circumstances shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the relevant court (whether upon the terms presented to the relevant court or upon any other terms as may be approved by such court) the rights of the Grantees to exercise their respective Options shall with effect from the date of the making of the order by the relevant court be restored in full) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension.

12. RIGHTS ON CEASING TO BE AN ELIGIBLE PARTICIPANT

If the Grantee of an Option ceases to be an Eligible Participant:

- (a) by reason of ill-health, injury or disability (all evidenced to the satisfaction of the Board) or death, and none of the events which would be a ground for termination of his relationship with the Group under paragraph 14(e) has occurred, the Grantee or the Personal Representative(s) of the Grantee shall be entitled within a period of 6 months (or such longer period as the Board may determine) from the date of cessation of being an Eligible Participant or death, to exercise the Option in full (to the extent not already exercised); or
- (b) by reason of the Grantee's employment or engagement with, or secondment to, which he qualified as an Eligible Participant at the time the Option was granted ceases to be a member of the Group, the Grantee shall be entitled within a period of 6 months (or such longer period as the Board may determine) from the date of cessation of being an Eligible Participant, to exercise the Option in full (to the extent not already exercised); or
- (c) by reason of retirement in accordance with his contract of employment or service, the Grantee shall be entitled within a period of 6 months after he so ceases or, if the Board in its absolute discretion determine, within 6 months after the date of his sixtieth (60th) birthday where the retirement takes effect prior to such date, to exercise the Option in full (to the extent not already exercised); or
- (d) by reason of voluntary resignation or dismissal, or upon expiration of his term of directorship (unless immediately renewed upon expiration), or by termination of his employment or service in accordance with the termination provisions of his contract of employment or service by the relevant company otherwise than by reason of redundancy, then his outstanding Option shall lapse and determine on the date he so ceases; or
- (e) for any reason other than as described in paragraphs (a) to (d) above, the Grantee may exercise the Option up to his entitlement at the date of cessation of being an Eligible Participant (to the extent not already exercised) within the period of 6 months (or such longer period as the Board may determine) following the date of such cessation (which date shall be, in relation to a Grantee who is an Eligible Participant by reason of his employment with the Group, the last actual working day with the Group whether salary is paid in lieu of notice or not).

13. DURATION OF THE 2025 SHARE OPTION SCHEME

Subject to paragraph 17 below, the 2025 Share Option Scheme shall be valid and effective until the Termination Date, which means the close of business of the Company on the date of the 10th anniversary after the Adoption Date, after which no further Options shall be offered but the provisions of the 2025 Share Option Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the 2025 Share Option Scheme and Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the 2025 Share Option Scheme.

14. LAPSE OF OPTION

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the Expiry Date relevant to that Option;
- (b) the expiry of any of the periods referred to in paragraphs 9 to 12 above;
- (c) the expiry of the 14 days period after the date on which the scheme of arrangement of the Company referred to in paragraph 10 becomes effective;
- (d) subject to paragraph 9, the date of commencement of the winding up of the Company (as determined in accordance with the Cayman Companies Act); and
- (e) the date on which the Grantee ceases to be an Eligible Participant by reason of the termination of his relationship with the Group on any one or more of the following grounds:
 - (i) that he has been guilty of serious misconduct;
 - (ii) that he has been convicted of any criminal offence involving his integrity or honesty or in relation to an employee of the Group;
 - (iii) that he has become insolvent, bankrupt or has made arrangements or compositions with his/her creditors generally; or
 - (iv) on any other ground as determined by the Board that would warrant the termination of his employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Group. A resolution of the Board or the board of directors of the relevant member of the Group to the effect that the relationship of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive.

15. CAPITAL RESTRUCTURING

In the event of any capital restructuring of the Company, whether by way of capitalisation issue, rights issue, open offer, sub-division, consolidation of shares, or reduction of capital of the Company in accordance with applicable laws and regulatory requirements, such corresponding alterations (if any) shall be made (except on an issue of securities of the Company as consideration in a transaction which shall not be regarded as a circumstance requiring alteration or adjustment) in:

- (a) the number of Shares subject to any outstanding Options; and/or
- (b) the Exercise Price,

or any combination thereof, in accordance with the GEM Listing Rules.

Any such alterations must give an Eligible Participant the same proportion of the equity capital, rounded to the nearest whole Share, as that to which that person was previously entitled but no such adjustments may be made to the extent that a Share would be issued at less than its nominal value (if any). The issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In respect of any such adjustments, other than any made on a capitalisation issue, the Auditor or an independent financial adviser engaged by the Company for this purpose must confirm to the Directors in writing that the adjustments satisfy the requirements set out in the GEM Listing Rules. Such adjustments will be made in according with the requirements under Appendix 1 to Frequently Asked Questions FAQ13 – No. 16 published by the Stock Exchange.

16. CANCELLATION OF OPTIONS

Any cancellation of Options granted but not exercised must be approved by the Grantees of the relevant Options in writing. Where the Company cancels Options, the grant of new options to the same Grantee may only be made under the 2025 Share Option Scheme with the available Scheme Limit (including such refreshed limit, as the case may be) as referred to the paragraph 3 above. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Limit.

17. TERMINATION

- 17.1 The Company by resolution in general meeting may at any time resolve to terminate the operation of the 2025 Share Option Scheme and in such event no further Options shall be offered but the provisions of the 2025 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Option (to the extent not already exercised) granted prior to the termination or otherwise as may be required

in accordance with the provisions of the 2025 Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the 2025 Share Option Scheme.

17.2 Details of the Options granted, including Options exercised or outstanding, under the 2025 Share Option Scheme and (if applicable) Options that become void or non-exercisable as a result of the termination must be disclosed in the circular to Shareholders seeking approval of the new scheme to be established or refreshment of Scheme Limit under any existing scheme after the termination of the 2025 Share Option Scheme.

18. TRANSFERABILITY OF OPTIONS

An Option shall be personal to the respective Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option or enter into any agreement so to do, unless a waiver is granted by the Stock Exchange allowing the transfer of the Option to a vehicle (such as a trust or a private company) for the benefit of the Grantee and any family members of such Grantee for estate planning and tax planning purposes that would continue to meet the purpose of the 2025 Share Option Scheme and compliance of the GEM Listing Rules. Any breach of the foregoing shall entitle the Company to cancel any outstanding Options or any part thereof granted to such Grantee to the extent not already exercised.

19. ALTERATION OF THE 2025 SHARE OPTION SCHEME

19.1 Subject to paragraphs 19.2 and 19.4 below, the 2025 Share Option Scheme may be altered in any respect by a resolution of the Board except that any alterations to:

- (i) the provisions of the 2025 Share Option Scheme as to the definitions of “Eligible Participants”, “Expiry Date”, “Grantee”, “Option Period” and “Termination Date” in the Scheme Rules;
- (ii) the provisions of the 2025 Share Option Scheme relating to the matters governed by Rule 23.03 of the GEM Listing Rules; and
- (iii) the terms and conditions of the 2025 Share Option Scheme which are of a material nature;

to the advantage of Grantees or prospective Grantees must be approved by the Shareholders in a general meeting PROVIDED THAT the amended terms of the 2025 Share Option Scheme or the Options shall remain in compliance with Chapter 23 of the GEM Listing Rules and no alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration or to reduce the proportion of the equity capital to which any person was entitled pursuant to such Option prior to such alteration except with:

- (i) the consent in writing of Grantees holding in aggregate Options which if exercised in full on the date immediately preceding that on which such consent is obtained would entitle them to the issue of three-fourths in nominal value of all Shares which would fall to be issued upon the exercise of all Options outstanding on that date; or
- (ii) the sanction of a special resolution.

Written notice of any alterations made in accordance with this paragraph 19.1 shall be given to all Grantees.

19.2 Subject to paragraph 19.4 below, any change to the terms of Options granted to a participant must be approved by the Board, the remuneration committee of the Board, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the remuneration committee of the Board, the independent non-executive Directors and/or the Shareholders (as the case may be) except where the alterations take effect automatically under the existing terms of the 2025 Share Option Scheme.

19.3 Any change to the authority of the Board or the administrators of the New Share Option Scheme to alter the terms of the 2025 Share Option Scheme must be approved by the Shareholders in a general meeting.

19.4 Any alteration to the terms and conditions of the 2025 Share Option Scheme shall comply with the relevant requirements of Chapter 23 of the GEM Listing Rules.

19.5 In respect of any meeting of Grantees referred to in paragraph 19.1, all the provisions of the Articles of Association as to general meetings of the Company shall mutatis mutandis apply as though the Options were a class of shares forming part of the capital of the Company except that:

- (a) not less than seven days' notice of such meeting shall be given;

- (b) a quorum at any such meeting shall be two Grantees present in person or by proxy and holding Options entitling them to the issue of one-tenth in nominal value of all Shares which would fall to be issued upon the exercise of all Options then outstanding unless there is only one Grantee holding all Options then outstanding, in which case the quorum shall be one Grantee;
- (c) every Grantee present in person or by proxy at any such meeting shall be entitled on a show of hands to one vote, and on a poll, to one vote for each Share to which he would be entitled upon exercise in full of his Options then outstanding;
- (d) any Grantee present in person or by proxy may demand a poll; and
- (e) if any such meeting is adjourned for want of a quorum, such adjournment shall be to such date and time, not being less than seven or more than fourteen days thereafter, and to such place as may be appointed by the chairman of the meeting. At any adjourned meeting those Grantees who are then present in person or by proxy shall form a quorum and at least seven days' notice of any adjourned meeting shall be given in the same manner as for an original meeting and such notice shall state that those Grantees who are then present in person or by proxy shall form a quorum.

20. PERFORMANCE TARGETS AND CLAWBACK MECHANISM

20.1 Performance targets

Subject to the Scheme Rules of the 2025 Share Option Scheme, the GEM Listing Rules and any applicable laws and regulations, the Board or the committee of the Board or person(s) to which the Board has delegated its authority shall have the power to determine such performance targets or other criteria or conditions for vesting of the Options in its sole and absolute discretion. The performance target, if any, shall be based on the performance of the Eligible Participant and/or the operating or financial performance of the Group including but not limited to (i) business performance and financial performance of the Group such as the profit before tax of the Group; (ii) attaining of corporate goals; (iii) individual performance appraisal; and/or (iv) other criteria to be determined by the Board as its absolute discretion from time to time, which shall be set out in the relevant offer letter in relation to the grant of Options issued to each selected Eligible Participant.

The Company will evaluate the actual performance and contribution of an Eligible Participant against the performance targets set and form a view as to whether the relevant performance targets have been satisfied. For Employee Participants, each performance target may be assessed either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group, in each case as specified by the Board (or, in case the Grantee is a director and/or a senior manager of the Company, the remuneration committee

of the Company) in its sole discretion. For Related Entity Participants, the assessment will be based on the quality of support provided to the Group and the level of contributions to the Group with reference to the nature and background of the Related Entity Participant. The Board (and the remuneration committee of the Company in respect of grants of Options to the directors and/or senior managers of the Company) shall have the sole discretion in determining whether the relevant performance targets for the Eligible Participant have been met.

In the event Options were granted to the Directors or senior management of the Company without performance targets and/or clawback mechanism, the Company will comply with the requirements under Rule 23.06B(8) of the GEM Listing Rules that the relevant announcement will include the views of the remuneration committee of the Company on why performance targets are not necessary and how the grants would align with the purpose of the 2025 Share Option Scheme.

20.2 Clawback

Notwithstanding the terms and conditions of the 2025 Share Option Scheme, the Board has the authority to clawback any Option that has been previously granted but not yet exercised, without a Grantee's consent, in the event that:

- (a) a Grantee ceases to be an Eligible Participant by reason of the termination of his employment or contractual engagement with the Group or related entity for cause or without notice or with payment in lieu of notice;
- (b) a Grantee has been convicted of a criminal offence involving his integrity or honesty;
- (c) in the reasonable opinion of the Board, a Grantee has engaged in serious misconduct or breaches the terms of the 2025 Share Option Scheme or the Offer Letter in any material respect; or
- (d) the Company is required to exercise a claw-back in accordance with applicable laws and regulations, including the GEM Listing Rules, and/or pursuant to a request from any regulatory authority (including but not limited to the Stock Exchange).

Under the above circumstances, the Board may (but is not obliged to) by notice in writing to the Grantee concerned claw back such number of Options (to the extent not being exercised) granted as the Board may consider appropriate. The Options that are clawed back pursuant to this paragraph shall be regarded as lapsed and the Options so clawed back will not be regarded as utilised for the purpose of calculating the Scheme Limit (including the refreshed limit, as the case may be).

21. GRANT OF OPTIONS TO CONNECTED PERSONS

- 21.1 Subject to the Scheme Limit, if the Board determines to grant Options to a Director, chief executive or substantial shareholder of the Company or any of their respective associates (as defined in the GEM Listing Rules), such grant shall be subject to the approval by the independent non-executive Directors.
- 21.2 If the Board determines to grant Options to an independent non-executive Director or a substantial shareholder (or any of his/her respective associates) which will result in the number of Shares issued and to be issued upon exercise of all Options already granted under the 2025 Share Option Scheme and any options and awards granted under any other scheme(s) of the Company (but excluding any options and awards lapsed in accordance with the terms of the relevant schemes of the Company) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1%, or such other percentage as may be from time to time provided under the GEM Listing Rules, of the Shares in issue (excluding Treasury Shares, if any) on the Offer Date, such further grant of Options shall be subject to, in addition to the approval of the independent non-executive Directors of the Company, the issue of a circular by the Company to its shareholders and the approval of the shareholders of the Company in general meeting by way of a poll convened and held in accordance with the Articles of Association at which the Grantee, his/her associates and all Core Connected Persons of the Company shall abstain from voting in favour of the resolution concerning the grant of such Options at the general meeting (except that any such person may vote against the resolution at the general meeting of the Company provided that his/her intention to do so has been stated in the relevant circular to the Shareholders) and/or such other relevant requirements prescribed under the GEM Listing Rules from time to time. Unless provided otherwise in the GEM Listing Rules, the date of the Board meeting at which the Board proposes to grant the Options to that Eligible Participant shall be taken as the Offer Date for the purpose of calculating the Exercise Price.
- 21.3 If the Board determines to change the terms of the Options granted to an Eligible Participant who is a director, chief executive or substantial shareholder of the Company, or any of their respective associates, such change must be approved by the Shareholders of the Company in the manner as set out in Rule 23.04(4) of the GEM Listing Rule if the initial grant of the options requires such approval (except where the changes take effect automatically under the existing terms of the scheme).

21.4 The circular to be issued by the Company to its shareholders pursuant to paragraph 21.2 shall contain the following information:

- (a) the details of the number and terms (including the Exercise Price) of the Options to be granted to each Eligible Participant which must be fixed before the Shareholders' meeting. In respect of any Options to be granted, the date of the Board meeting for proposing such further grant is to be taken as the date of grant for the purpose of calculating the Exercise Price;
- (b) the views of the independent non-executive Directors as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; and
- (c) the information required under Rules 23.02(2)(c) and 2.28 of the GEM Listing Rule and information as may be required by the Stock Exchange from time to time.

21.5 The requirements for the grant to a Director or chief executive of the Company as set out in this paragraph do not apply where the participant is only a proposed director or chief executive of the Company.

22. CONDITIONS OF THE 2025 SHARE OPTION SCHEME

22.1 The 2025 Share Option Scheme and the grant of any Option under the 2025 Share Option Scheme shall take effect subject to and is conditional upon:

- (a) the passing of the necessary resolutions by the Shareholders of the Company in the general meetings to approve and adopt the 2025 Share Option Scheme, and to authorise the Board to grant the Options hereunder and to allot, issue and deal with the Shares which fall to be issued pursuant to the exercise of the Options under the 2025 Share Option Scheme; and
- (b) the Listing Committee granting the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the 2025 Share Option Scheme.

22.2 If the conditions in paragraph 22.1 are not satisfied within six calendar months from the Adoption Date:

- (a) the 2025 Share Option Scheme shall forthwith determine;
- (b) any Option granted or agreed to be granted pursuant to the 2025 Share Option Scheme and any offer of such a grant shall be of no effect; and

- (c) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the 2025 Share Option Scheme or any Option.

23. RANKING OF SHARES

No dividends shall be payable in relation to Shares that are the subject of Options that have not been exercised. The Shares to be allotted upon the exercise of an Option shall not carry voting rights until completion of the registration of the Grantee (or such other person nominated by the Grantee) as the holder thereof. Subject as aforesaid, the Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the Articles of Association and shall rank *pari passu* in all respects with and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the fully-paid Shares in issue on the date of issue and rights in respect of any dividend or other distributions paid or made on or after the date of issue. Shares issued on the exercise of an Option shall not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment.

24. RESTRICTION ON THE TIME OF GRANT OF OPTIONS

- (a) For so long as the Shares are listed on the Stock Exchange, the Board shall not grant any Option after an inside information event has come to the knowledge of the Company until (and including) the trading day after it has announced such inside information pursuant to the requirements of the GEM Listing Rules and the Inside Information Provisions of Part XIVA of the SFO. In particular, no Options shall be granted during the period commencing one month immediately preceding the earlier of:
- (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of the Company's annual results, half-year, quarterly or any other interim period (whether or not required under the GEM Listing Rules); and
 - (ii) the deadline for the Company to publish an announcement of results for (i) any year or half-year period in accordance with the GEM Listing Rules, and (ii) where the Company has elected to publish them, any quarterly or any other interim period, and ending on the date of the results announcement.

No option may be granted during any period of delay in publishing a results announcement.

- (b) Where the grant of Options is to a director of the Company, notwithstanding paragraph 24(a) above, no Options shall be granted to the directors of the Company: (i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and (ii) during the period of 30 days immediately preceding the publication date of half-year results or, if shorter, the period from the end of the relevant quarterly or half-yearly period up to the publication date of the results.

25. DISCLOSURE IN ANNUAL AND INTERIM REPORTS

The Company will disclose details of the 2025 Share Option Scheme and other schemes of the Company and its subsidiaries, the matters relating to the implementation of the 2025 Share Option Scheme and the grant of Options in the relevant financial year or interim period in its annual reports and interim reports, including the number of Options, Offer Date, Exercise Price, Option Period, vesting period and other information as prescribed under the GEM Listing Rules in force from time to time during the financial year/period in the annual/interim reports in accordance with the GEM Listing Rules in force from time to time.

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 upon completion of the Increase in Authorised Share Capital but before the completion of the Rights Issue (assuming no change in the number of issued Shares); and (iii) immediately after completion of the Rights Issue (assuming full subscription under the Rights Issue and no change in the number of Existing Shares in issue on or before the Record Date) are set out as follows:

(i) As at the Latest Practicable Date

HK\$

Authorised:

<u>160,000,000</u>	Ordinary Shares of HK\$0.125 each	<u>20,000,000</u>
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HK\$

Issued and fully paid:

<u>57,600,000</u>	Ordinary Shares of HK\$0.125 each	<u>7,200,000</u>
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(ii) Immediately upon completion of the Increase in Authorised Share Capital but before the completion of the Rights Issue (assuming no change in the number of issued Shares)

HK\$

Authorised:

<u>1,600,000,000</u>	Ordinary Shares of HK\$0.125 each	<u>200,000,000</u>
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HK\$

Issued and fully paid:

<u>57,600,000</u>	Ordinary Shares of HK\$0.125 each	<u>7,200,000</u>
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(iii) Immediately after completion of the Rights Issue (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date)

HK\$

Authorised:

<u>1,600,000,000</u>	Ordinary Shares of HK\$0.125 each	<u>200,000,000</u>
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HK\$

Issued and fully paid:

<u>345,600,000</u>	Ordinary Shares of HK\$0.125 each	<u>43,200,000</u>
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The Rights Shares, when allotted, issued and fully-paid, shall rank *pari passu* in all respects with the Shares then in issue. Holder of the Rights Shares in their fully-paid form will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the fully-paid 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 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.

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

Save as disclosed above, as at the Latest Practicable Date, the Company has no treasury shares or other derivatives, outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into the Shares and no capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option or agreed conditionally or unconditionally to be put under option.

3. DISCLOSURE OF INTERESTS

(a) Director's and chief executive's interests in the Company or its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executives of the Company and their associates 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 which the Directors or chief executive of the Company were deemed or taken to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be recorded in the register therein, or 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 were as follows:

Interest in Shares

Name of Director/ Chief Executive	Nature of interest	Number of Shares interested	Approximate percentage of issued share of capital of the Company ^(Note 1)
Mr. WANG Lei	Beneficial owner	11,817,000 (L) ^(Note 2)	24.62%
Mdm. LI Lidan ^(Note 3)	Interest of spouse	11,817,000 (L)	24.62%
Mr. CHEN Huichun	Beneficial owner	14,000 (L)	0.03%
Mdm. WANG Chongyu ^(Note 4)	Interest of spouse	14,000 (L)	0.03%

Notes:

- (1) The shareholding percentage in the Company is calculated on the basis of 57,600,000 Shares in issue as at the Latest Practicable Date.
- (2) The letter "L" denotes a long position in the Shares.
- (3) Mdm. LI Lidan ("Mrs. WANG") is the spouse of Mr. WANG Lei, executive director of the Company. Under the SFO, Mrs. WANG is deemed to be interested in the same number of shares in which Mr. WANG Lei is interested.
- (4) Mdm. WANG Chongyu ("Mrs. CHEN") is the spouse of Mr. CHEN Huichun, an independent non-executive Director of the Company. Under the SFO, Mrs. Chen is deemed to be interested in the same number of Shares in which Mr. CHEN Huichun is interested.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be

notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) 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.

(b) Substantial Shareholders and other persons' interests in Shares and underlying Shares

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO, and so far as is known to the Directors or chief executive of the Company, the following persons (other than a Director or a chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group and the amount of each of such person's interests in such securities, together with particulars of any options in respect of such capital:

Interest in Shares

Name of Shareholder	Nature of interest	Number of Shares interested	Approximate percentage of issued share of capital of the Company ^(Note 1)
Mr. LI Jie	Beneficial owner	5,720,400 (L) ^(Note 2)	11.92%
Mdm. HAN Mei ^(Note 3)	Interest of spouse	5,720,400 (L)	11.92%
Mdm. LI Lidan ^(Note 4)	Interest of spouse	11817400 (L)	24.62%

Notes:

- (1) The shareholding percentage in the Company is calculated on the basis of 57,600,000 Shares in issue as at the Latest Practicable Date.
- (2) The letter "L" denotes a long position in the Shares.
- (3) Mdm. HAN Mei ("Mrs. Li") is the spouse of Mr. LI Jie. Under the SFO, Mrs. Li is deemed to be interested in the same number of Shares in which Mr. LI Jie is interested.
- (4) Mdm. LI Lidan ("Mrs. WANG") is the spouse of Mr. WANG Lei, executive director of the Company. Under the SFO, Mrs. WANG is deemed to be interested in the same number of shares in which Mr. WANG Lei is interested.

Save as disclosed above and so far as is known to the Directors or chief executive of the Company, there is no person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital, including options in respect of such capital, carrying rights to vote in all circumstances at general meeting of any other member of the Group.

4. DIRECTORS' INTERESTS IN CONTRACT AND ASSET OR ARRANGEMENT

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

There was no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date, in which any of the Directors was materially interested and which was significant in relation to the business of the Group as a whole.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective close associates had any interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or the Group.

7. LITIGATION

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

8. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Group within the two years immediately preceding the date of this circular:

- (i) the conditional sale and purchase agreement dated 26 December 2023 (the “**Dec23 SPA**”) entered into among Zhongshi Taian (Shandong) Technology Consultation Company Limited* (中食太安(山東)科技諮詢有限公司) (as purchaser), Ms. Xu Xiangyue (許香月) and Shanghai Zhoubao Agricultural Products Sales Company Limited* (上海宙寶農產品銷售有限公司) (as vendors) in relation to the acquisition of 100% registered capital of Shanghai Tianji Zhongwei Enterprise Development Limited* (上海天璣中為實業發展有限公司) at a consideration of RMB19,000,000, payable as to (i) RMB500,000 by cash; and (ii) RMB18,500,000 by the allotment and issue of 357,666,666 consideration Shares at the issue price of HK\$0.057 per Share;
- (ii) the supplemental sale and purchase agreement dated 25 March 2024 entered into among Zhongshi Taian (Shandong) Technology Consultation Company Limited* (中食太安(山東)科技諮詢有限公司), Ms. Xu Xiangyue (許香月) and Shanghai Zhoubao Agricultural Products Sales Company Limited* (上海宙寶農產品銷售有限公司) to revise the long stop date of the Dec23 SPA;
- (iii) the conditional sale and purchase agreement dated 19 September 2024 (the “**Sep24 SPA**”) entered into among Beijing Zhengli Changsheng Technology Company Limited* (北京正力昌盛科技有限公司) (as purchaser), Mr. Liu Yang* (劉洋) and Mr. Liu Qinghao* (劉慶好) (as vendors) in relation to the acquisition of 100% equity interest in Henan Kaiyuan Food Company Limited* (河南省開源食品有限責任公司) at a consideration of RMB20,000,000, payable as to (i) RMB100,000 by cash; and (ii) RMB19,900,000 by the allotment and issue of 383,398,645 consideration Shares at the issue price of HK\$0.057 per Share;
- (iv) the termination agreement dated 30 December 2024 entered into among Beijing Zhengli Changsheng Technology Company Limited* (北京正力昌盛科技有限公司), Mr. Liu Yang* (劉洋) and Mr. Liu Qinghao* (劉慶好) to terminate the Sep24 SPA;
- (v) the placing agreement dated 7 January 2025 entered into between the Company and Yuet Sheung International Securities Limited as the placing agent in relation to the placing of up to 400,000,000 new Shares at the placing price of HK\$0.04 per placing Share;
- (vi) the placing agreement dated 14 July 2025 entered into between the Company and CNI Securities Group Limited as the placing agent in relation to the placing of up to 9,600,000 new Shares at the placing price of HK\$0.6 per placing Share; and

* For identification purposes only

(vii) the Placing Agreement.

9. EXPERTS AND CONSENTS

The following is the qualification of the experts or professional advisers who have given opinion or advice contained in this circular (collectively, the “**Experts**”):

Name	Qualification
Rongcheng (Hong Kong) CPA Limited	Certified Public Accountants
Somerley Capital Limited	A corporation licensed by the Securities and Futures Commission to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

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

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

As at the Latest Practicable Date, none of the above Experts had any direct or indirect interests in any assets which have been, since 31 December 2024 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to, any member of the Group, or which are proposed to be acquired or disposed of by or leased to, any member of the Group.

10. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, placing commission (assuming the Rights Issue is not fully-subscribed and any Unsubscribed Rights Shares and ES Unsold Rights Shares are placed by the Placing Agent), printing, registration, translation, legal and accountancy charges are estimated to be up to approximately HK\$3.83 million, which are payable by the Company.

11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Board of Directors*Executive Directors*

Mr. WANG Lei

Mr. CHUA Boon Hou (CAI Wenhao)

Ms. WU Mengmeng

Non-executive Director

Mr. LI Xiaodong

Independent non-executive Directors

Mr. CHEN Huichun

Mr. GAO Yan

Mr. WU Guoyong

Audit committeeMr. GAO Yan (*Chairman*)

Mr. CHEN Huichun

Mr. WU Guoyong

Remuneration committeeMr. GAO Yan (*Chairman*)

Mr. WANG Lei

Mr. WU Guoyong

Nomination committeeMr. WU Guoyong (*Chairman*)

Ms. WU Mengmeng

Mr. CHEN Huichun

Risk management committeeMr. WU Guoyong (*Chairman*)

Mr. WANG Lei

Mr. CHUA Boon Hou (CAI Wenhao)

Registered office

Windward 3, Regatta Office Park,

P.O. Box 1350,

Grand Cayman KY1-1108,

Cayman Islands

Principal place of business	Hong Kong Room E, 15th Floor, Leahander Centre, 28 Wang Wo Tsai Street, Tsuen Wan, New Territories, Hong Kong Singapore 160 Sin Ming Drive, #06-02 Sin Ming Autocity, Singapore 575722 China 69 Lianhuashan Road, Wennan Town, Xintai, Tai'an, Shandong Province
Authorised representatives	Mr. CHUA Boon Hou (CAI Wenhao) Mr. LO Kam Tai
Business address of all Directors and authorised representatives	Room E, 15th Floor, Leahander Centre, 28 Wang Wo Tsai Street, Tsuen Wan, New Territories, Hong Kong
Company secretary	Mr. LO Kam Tai <i>Member of the Hong Kong Institute of Certified Public Accountants</i>
Hong Kong branch share registrar and transfer office	Tricor Investor Services Limited 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
Principal banker	DBS Bank Limited 12 Marina Boulevard, Marina Bay Financial Centre Tower 3, Singapore 018982 United Overseas Bank Limited 80 Raffles Place, UOB Plaza, Singapore 048624

	China Merchants Bank 1/F., Libao Plaza, Building 8, 8 Ronghua Middle Road, Daxing District, Beijing, China
Auditor and reporting accountant	Rongcheng (Hong Kong) CPA Limited <i>Certified Public Accountants</i> 3203A-05 Tower 2, Lippo Centre, Admiralty, Hong Kong
Financial adviser to the Company	uSmart Securities Limited Unit 2405-06, 24/F, 308 Des Voeux Road Central, Sheung Wan, Hong Kong
Legal adviser to the Company as to Hong Kong laws	Mak Patrick & Tse Rooms 901-905, 9/F, Wing On Centre, 111 Connaught Road Central, Hong Kong
Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders	Somerley Capital Limited 20/F, China Building, 29 Queen's Road Central, Hong Kong
Placing Agent	Yuet Sheung International Securities Limited Unit 2704, 27/F, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Sheung Wan, Hong Kong

12. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. WANG Lei (王雷) (“**Mr. Wang**”), aged 37, was appointed as the co-chairman of the Board, the chief executive officer and executive Director as recommended by the nomination committee (the “**Nomination Committee**”) of the Company and approved by the Board on 9 February 2022. He was re-designated from the co-chairman to the chairman of the Company (the “**Chairman**”) on 30 December 2024. He is a member of each of the remuneration committee (the “**Remuneration Committee**”), the Nomination Committee and the risk management committee (the “**Risk Management Committee**”) of the Company. Mr. Wang has extensive management experience in companies engaged with online and technology businesses. From 2014 to 2015, he was the chief executive officer of Beijing Qiyouquan Technology Company Limited* (北京球友圈網路科技有限責任公司), mainly responsible for promoting online booking systems with respect to different sports activities. During the period from 2016 to 2017, Mr. Wang was the director of the car sharing department of Beijing Electric Vehicle Co., Ltd.* (北京新能源汽車股份有限公司) and was responsible for the management and coordination of the online electric car sharing platform. From 2017 to 2019, Mr. Wang has become the general manager of Beijing Zhicai Technology Company Limited* (北京智裁科技有限公司) and was responsible for the company’s overall management and researches on products (including but not limited to pre-packaged food and smart electrical appliances).

Mr. CHUA Boon Hou (蔡文豪) (“**Mr. Chua**”), aged 52, is the Chief Operating Officer and an Executive Director. He is primarily responsible for the management and operation of the Group such as implementing strategic management and monitoring key performance indicators of the Group. His other responsibilities include the day-to-day management of the operational aspects of both KBS Motorsports Pte. Ltd. and MBM Wheelpower Pte. Ltd. He currently heads the human resource department of the Group and is responsible for the recruitment of new talents into the Group. Mr. Chua was appointed to the Board on 13 April 2016. He is also a member of the Risk Management Committee and the compliance officer of the Company. He has over 15 years of experience in the automobile industry. Mr. Chua graduated from Nanyang Technological University, Singapore, in January 1997 with a degree of bachelor of business. Shortly after his graduation, Mr. Chua obtained a diploma in life insurance from the Singapore College Insurance in May 1999. Besides being a Fellow to the Life Management Institute (FLMI) in May 1997, he also became an associate to the Academy of Life Underwriting (AALU) in July 2006. Prior to joining the Group in April 2008, Mr. Chua had experience with several insurance companies including Great Eastern Life Insurance, Prudential Assurance Company Singapore (Pte) Limited and NTUC Income Insurance Co-operative Limited. In view of his work experience, Mr. Chua was invited to the Group as an administrative manager in charge of the administration and customer services of the Group in April 2008. Over the years, he rose steadily through the ranks becoming our human resource manager

* For identification purposes only

in January 2012 and appointed as our chief operating officer in December 2015 in recognition for his continuous contribution to the Group.

Ms. WU Mengmeng (吳濛濛) (“**Ms. Wu**”), aged 33, is an executive Director. She was appointed as an executive Director on 30 May 2024. She obtained a bachelor’s degree of Electronic Commerce from Beijing Union University in 2016. She is currently pursuing an Executive Master of Business Administration at the Guanghua School of Management. Ms. Wu has more than 9 years of experiences on technology industries and management of e-commerce corporations. She is a general manager of marketing centre of the Company. Prior to joining the Group in 2017, she was the founder of Zhongbo Yayi (Tianjin) Cultural Development Co., Ltd.* (中博雅藝(天津)文化發展有限公司) until 2016.

Non-executive Directors

Mr. CHEN Huichun (陳回春) (“**Mr. Chen**”), aged 52, was appointed as an independent non-executive Director on 11 September 2019. He is also a member of the Nomination Committee and the Audit Committee. Mr. Chen is an entrepreneur with extensive experience in the real estate industry in mainland China. In July 2018, Mr. Chen completed a business administration programme and obtained a Bachelor’s degree in Management from 西北民族師範學院 (Northwest Minzu Normal University*). In the past over ten years, he has established a number of real estate companies, such as 鞍山市共榮房地產開發有限責任公司 (Anshan City Gongrong Real Estate Development Co., Ltd.*), 鞍山市共成房地產開發有限公司 (Anshan City Gongcheng Real Estate Development Co., Ltd.*) and 鞍山市共富房地產開發有限公司 (Anshan City Gongfu Real Estate Development Co., Ltd.*), in which he played a leading role. Mr. Chen has extensive management experience in the real estate field and a continuing and firm vision for investment. Coupled with his excellent management capability, he is an outstanding and successful entrepreneur. Mr. Chen is currently involved in the field of new energy vehicles and is committed to contributing to the economic development and the construction of green homes of Anshan City.

Mr. GAO Yan (高岩) (“**Mr Gao**”), aged 59, was appointed as an independent non-executive Director as recommended by the Nomination Committee and approved by the Board on 30 June 2022. He is also the Chairman of the Audit Committee and the Remuneration Committee. Mr. Gao Yan has more than 35 years of extensive experiences covering education, marketing analysis, finance and investment management. From September 1988 to September 1990, he was a teacher in the faculty of mathematics in Beijing Wuzi University. During the period from July 1995 to March 1996, Mr. Gao was an intern analyst in high yield bond research department of Merrill Lynch & Co. Inc. From March 1996 to September 1997, he was Asian market analyst of Cathay Financial LLC. During the period from September 2001 to September 2003, Mr. Gao was visiting assistant professor of The City University of New York, Baruch College. He was assistant professor of California State University, Los Angeles and China Europe International Business

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School, Shanghai from September 2003 to September 2004 and from September 2004 to September 2010 respectively. Mr. Gao then was a partner of Guizhou Tongsheng Shifu Equity Investment Management Co., Ltd. from December 2012 to June 2017. During the period from December 2013 to January 2019, he was the general manager, director and one of the founders of Beijing Zhigan Sensor Research Institute Co., Ltd. From July 2016 to June 2018, Mr. Gao was the managing director of Beevest Securities Limited. Mr. Gao has been the deputy director, Center for Innovation and Entrepreneurship and a professor of management practice of Beijing University, Guanghua School of Management since January 2014. He has been a partner of KEII Business Consulting Co., Ltd. since March 2017 and an investment partner of TDRH Capital Co., Ltd. since November 2020. Mr. Gao was appointed as independent director of Sino Medical Sciences Technology Inc. (Stock Code: 688108.SH), a company listed on the Shanghai Stock Exchange, on 19 June 2020. Mr. Gao is the Chartered Financial Analyst since September 2003. He was the vice chairman of The Chinese Finance Association. Mr. Gao received a bachelor's degree of Computational Mathematics from Beijing University in 1988 and a master's degree of Mathematics from Michigan State University in 1992. He completed a doctor of management program and MBA course from The City University of New York, Baruch College in 1995. Mr. Gao was conferred the degree of doctor of philosophy from Northwestern University in 2002. He also received a degree of doctor of finance from Northwestern University, Kellogg School of Management in 2002. Mr. Gao has independent director qualifications of the Shanghai Stock Exchange and Shenzhen Stock Exchange.

Mr. ZHAO Wei (趙為) (“**Mr. Zhao**”), aged 60, is an independent non-executive Director. Mr. Zhao was appointed to the Board on 20 October 2021. He is also the chairman of the Nomination Committee and the Risk Management Committee, and a member of the Audit Committee and the Remuneration Committee. Mr. Zhao has over 30 years of experience in the information technology service industry, especially computer software. He has served as a executive director of Tansun Technology Co., Ltd.* (天陽宏業科技股份有限公司) since 2023. Mr. Zhao graduated from Peking University* (北京大學) and obtained a bachelor's degree and a master's degree on Computer Science in 1988 and 1991 respectively.

Company Secretary

Mr. LO Kam Tai (盧錦泰) (“**Mr. Lo**”), aged 36, joined the Group on 30 June 2022 as the company secretary of the Company (the “**Company Secretary**”). Mr. Lo holds a bachelor degree of accounting and is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Lo has extensive experience in auditing, accounting and corporate compliance. Mr. Lo is currently a director of a corporate professional service firm in Hong Kong. Mr. Lo is not a full time employee of the Company, the primary person at the Company whom Mr. Lo shall be contacted in respect of company secretarial matters is Ms. Wu, the executive Director.

* For identification purposes only

13. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Company (the “**Audit Committee**”) comprised all of the independent non-executive Directors, namely Mr. GAO Yan, Mr. CHEN Huichun and Mr. ZHAO Wei. 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 and senior management” in this appendix. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group, making recommendations to the Board on the appointment, reappointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor, oversee the audit process and perform other duties and responsibilities as assigned by the Board.

14. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<https://www.hkexnews.hk/>) and the Company (<http://www.zhongshiminanholdings.com>) from the date of this circular up to and including the date of the EGM:

- (a) the letter of advice from the Independent Financial Adviser, the text of which is set out on pages 51 to 83 of this circular;
- (b) the accountant’s report on the unaudited pro forma financial information of the Group issued by Rongcheng (Hong Kong) CPA Limited, the text of which is set out in Appendix II to this circular;
- (c) the material contracts referred to in the paragraph headed “8. Material contracts” of this appendix;
- (d) the written consents referred to in paragraph headed “9. Experts and consents” of this appendix; and
- (e) a copy of the 2025 Share Option Scheme.

15. 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) As at the Latest Practicable Date, there was no contract for the hire or hire purchase of plant to or by any member of the Group for a period of over one year which are substantial in relation to the Group’s business.

- (c) As at the Latest Practicable Date, the Group had no significant exposure to foreign exchange liabilities.
- (d) In the event of any inconsistency, the English texts of this circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

NOTICE OF EXTRAORDINARY GENERAL MEETING



Zhongshi Minan Holdings Limited

中食民安控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8283)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of Zhongshi Minan Holdings Limited (the “**Company**”) will be held on Thursday, 18 December 2025 at 11:00 a.m. at Conference Room, 3/F., Building 58, No. 1, Jing Hai Wu Road, Beijing City, the PRC for considering and, if thought fit, passing, with or without amendments, the following resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT** the authorised share capital of the Company be increased from HK\$20,000,000 divided into 160,000,000 Shares to HK\$200,000,000 divided into 1,600,000,000 Shares by the creation of an additional 1,440,000,000 Shares (the “**Increase in Authorised Share Capital**”).”
2. “**THAT** subject to the conditions set out in the letter from the board under the heading “Conditions of the Rights Issue” in the circular of the Company dated 28 November 2025 (the “**Circular**”):
 - (a) the allotment and issue of up to 288,000,000 new Shares (assuming no change in the number of Shares in issue on or before the Record Date (as defined below) and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue) (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\$0.35 per Rights Share (the “**Subscription Price**”) on the basis of five (5) Rights Shares for every one (1) Share held by the Shareholders whose names appear on the register of members of the Company on Thursday, 18 December 2025, or such other date as may be determined by the Company for determining entitlements of Shareholders to participate in the Rights Issue (as defined below) (the “**Record Date**”), as described in further details in the Circular (a copy of which has been produced to the EGM marked “A” and signed by the chairman of the EGM for the purpose of identification), save for the Shareholders (“**Qualifying Shareholders**”) whose addresses as of the Record Date are outside of Hong Kong (if any) to whom the Directors, based on the results of the enquiries made by the Company from such

NOTICE OF EXTRAORDINARY GENERAL MEETING

legal adviser(s) in the relevant jurisdiction(s) in respect of applicable local laws and regulations, 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**”), be and is hereby approved, confirmed and ratified;

- (b) the placing agreement dated 4 November 2025 (the “**Placing Agreement**”) and entered into between the Company and Yuet Sheung International Securities Limited (a copy of which has been produced to the EGM marked “B” and signed by the chairman of the EGM 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;
- (c) 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 same may be offered, allotted or issued otherwise than pro rata to the existing Shareholders and, in particular, the Directors may 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 it considers necessary, desirable or expedient to give effect to any or all other transactions contemplated in this resolution; and
- (d) any one or more Directors be and is/are hereby authorised to do all such acts, deeds and things, to sign and execute all such further documents or deeds and to take such steps as he/they may in his/their absolute discretion consider necessary, appropriate, desirable or expedient to carry out or to give effect to or in connection with the Rights Issue, the Placing Agreement and the transactions contemplated thereunder.”

3. “**THAT:**

- (a) subject to and conditional upon the Stock Exchange granting the approval for the listing of, and the permission to deal in, the shares of the Company which may be issued in respect of the options to be granted under the new share option scheme of the Company (the “**2025 Share Option Scheme**”) proposed to be adopted by the Company at the EGM in its present form or as may be amended from time to time, a copy of which is tabled at the EGM and marked “A” and initialled by the chairman of the EGM for identification purpose, the 2025 Share

NOTICE OF EXTRAORDINARY GENERAL MEETING

Option Scheme be and is hereby approved and adopted and the Directors be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2025 Share Option Scheme including, but without limitation:

- (i) to administer the 2025 Share Option Scheme under which the options will be granted to the Eligible Participants (as defined in the 2025 Share Option Scheme) to subscribe for the Shares, including but not limited to determining and granting the Options in accordance with the terms of the 2025 Share Option Scheme;
 - (ii) to grant the options under the 2025 Share Option Scheme and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be allotted and issued in respect of the options to be granted under the 2025 Share Option Scheme and subject to the GEM Listing Rules and the Companies Act of the Cayman Islands;
 - (iii) to modify and/or amend the 2025 Share Option Scheme from time to time, provided that such modification and/or amendment is effected in accordance with the provisions of the 2025 Share Option Scheme relating to modification and/or amendment;
 - (iv) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the 2025 Share Option Scheme; and
 - (v) to take all such steps as may be necessary, desirable or expedient to carry into effect the 2025 Share Option Scheme, and accordingly.
- (b) the existing share option scheme adopted by the Company on 21 October 2016 be and is hereby terminated with effect from the adoption of the 2025 Share Option Scheme.
- (c) the total number of Shares which may be issued in respect of all options to be granted under the 2025 Share Option Scheme and any other share schemes of the Company as may adopt by the Company from time to time must not in aggregate exceed 10% of the total number of issued Shares (excluding Treasury Shares) as at the Adoption Date.”

By order of the Board

Zhongshi Minan Holdings Limited

WANG Lei

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 28 November 2025

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the Meeting. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
3. To be valid, the instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours (i.e. 11:00 a.m. on Tuesday, 16 December 2025) before the time appointed for holding the Meeting or any adjournment thereof.
4. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at the Meeting or any adjournment thereof in cases where the Meeting was originally held within 12 months from such date.
5. Where there are joint holders of any shares, any one of such joint holders may vote at the 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 the 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 of the Company in respect of the joint holding.
6. Completion and delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the Meeting if the member so desire and in such event, the instrument appointing a proxy should be deemed to be revoked.
7. For the purpose of determining shareholders' entitlements to attend and vote at the Meeting, the transfer books and the register of members of the Company will be closed from Friday, 12 December 2025 to Thursday, 18 December 2025 (both days inclusive), during which period no transfer of shares will be effected. In order to establish the right to attend and vote at the Meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Thursday, 11 December 2025.
8. If tropical cyclone warning signal no. 8 or above is hoisted or a black rainstorm warning signal is in force at or after 8:00 a.m. on Thursday, 18 December 2025, the Meeting will be postponed and further announcement for details of alternative meeting arrangements will be made. The Meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the Meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.

As at the date of this notice, the executive Directors are Mr. WANG Lei, Mr. CHUA Boon Hou (CAI Wenhao) and Ms. WU Mengmeng; and the non-executive Director is Mr. LI Xiaodong; and the independent non-executive Directors are Mr. CHEN Huichun, Mr. GAO Yan and Mr. WU Guoyong.

NOTICE OF EXTRAORDINARY GENERAL MEETING

This notice, 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 notice is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this notice misleading.

This notice will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at <https://www.hkexnews.hk> for at least seven days from the day of its posting. This notice will also be published on the website of the Company at <http://www.zhongshiminanholdings.com>.