THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult 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 Pacific Legend Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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

This circular appears for information purposes only and does not constitute an invitation or offer to the Shareholders or any other persons to acquire, purchase, or subscribe for securities of the Company.

PACIFIC LEGEND GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8547)

(I) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS; AND (II) NOTICE OF EXTRAORDINARY GENERAL MEETING

Financial adviser to the Company

RAINBOW CAPITAL (HK) LIMITED
滾博資本有限公司

Placing Agent
Constance Capital Limited

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

First Global Corporate Finance Co., Limited

Capitalised terms used on this cover page shall have the same meanings as defined in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 10 to 39 of this circular. A letter from the Independent Board Committee containing its advice to the Independent Shareholders is set out on pages IBC-1 to IBC-2 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 IFA-1 to IFA-34 of this circular.

A notice convening the EGM to be held at 10:00 a.m. on Tuesday, 10 March 2026 is set out on pages EGM-1 to EGM-3 of this circular. Whether or not you intend to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time scheduled for the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending or voting in person at the EGM or any adjourned meeting thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

This circular together with a form of proxy will remain on the Stock Exchange's website at www.hkexnews.hk on the "Latest Listed Company Information" page for at least 7 days from the date of its posting and on the website of the Company at www.pacificlegendgroup.com.

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 set out in the section headed "Letter from the Board — Conditions of the Rights Issue" in this circular. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers. In the event that the Rights Issue is not fully subscribed, any Unsubscribed Shares (including NQS Unsold Rights Shares) will be placed to independent placees under the Compensatory Arrangements. Any Unsubscribed Shares (including NQS 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 is no minimum amount to be raised under the Rights Issue.

Hong Kong, 13 February 2026

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

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

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

"acting in concert"	has the same meaning ascribed thereto under the GEM Listing Rules
"Announcement"	the announcement of the Company dated 27 January 2026 in relation to, among other things, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder
"associate(s)"	has the same meaning ascribed thereto under the GEM Listing Rules
"Board"	the board of Directors
"Business Day"	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Century Great"	Century Great Investments Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Ms. Wong
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time
"Companies Registry"	Companies Registry of Hong Kong
"Companies (WUMP) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
"Company"	Pacific Legend Group Limited, a company incorporated in the Cayman Islands on 1 September 2017 as an exempted company with limited liability, the issued shares of which are listed on GEM of the Stock Exchange (Stock code: 8547)

"Compensatory Arrangements"	arrangements to place the Unsubscribed Shares (including NQS Unsold Rights Shares) by the Placing Agent on a best effort basis to investors who (or as the case maybe, their ultimate beneficial owner(s)) are Independent Third Parties pursuant to Rule 10.31(1)(b) of the GEM Listing Rules
"connected person"	has the same meaning ascribed thereto under the GEM Listing Rules
"controlling shareholder(s)"	has the same meaning ascribed thereto under the GEM Listing Rules
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened and held at which resolutions will be proposed to consider, and, if thought fit, to approve, among other things, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder
"Excluded Shareholder(s)"	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue 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
"Fixed Exchange Rate"	a fixed exchange rate of HK$1.063 = RMB1.00 as agreed between both parties to the Bond Payable
"GEM"	GEM operated by the Stock Exchange
"GEM Listing Committee"	has the same meaning ascribed thereto under the GEM Listing Rules
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"General Rules of HKSCC"	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKSCC"	the Hong Kong Securities Clearing Company Limited

"HKSCC Operational Procedures"	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent board committee of the Company comprising all the independent non-executive Directors to advise the Independent Shareholders in respect of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder
"Independent Financial Adviser"	First Global Corporate Finance Co., Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder
"Independent Shareholder(s)"	Shareholders other than those who are involved or have interests in the Rights Issue, the Placing Agreement and the transactions contemplated thereunder and are required under the GEM Listing Rules to abstain from voting at the EGM
"Independent Third Party(ies)"	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons within the meaning of the GEM Listing Rules
"Irrevocable Undertakings"	the irrevocable undertakings executed by Ms. Wong and Century Great, pursuant to which Ms. Wong and Century Great irrevocably undertook to the Company, among others, that the assured entitlements to the Rights Shares of Century Great, will be taken up in full
"Last Trading Day"	26 January 2026, being the last trading day of the Shares on the Stock Exchange before the release of the Announcement
"Latest Practicable Date"	11 February 2026, being the latest practicable date for ascertaining certain information for inclusion in this circular

"Latest Time for Acceptance"	4:00 p.m. on Thursday, 9 April 2026 (or such other time and date as may be determined by the Company,) being the latest time for acceptance of and payment for the Rights Shares
"Latest Time for Termination"	5:00 p.m. on Friday, 24 April 2026 (or such later time or date as may be agreed between the Placing Agent and the Company), being the latest time to terminate the Placing Agreement
"Ms. Wong"	Ms. Wong Wing Man, an executive Director of the Company and sole beneficial owner of Century Great
"No Action Shareholder(s)"	those Qualifying Shareholder(s) who do not subscribe for the Rights Issue (whether partially or fully) (under the PAL or their renounces or such person who hold any nil-paid rights at the time such nil-paid rights are lapsed) or Excluded Shareholders (as the case may be)
"NQS Unsold Rights Shares"	the Rights Share(s) which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form that have not been sold by the Company
"Overseas Shareholder(s)"	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register at that time is (are) in (a) place(s) outside Hong Kong
"PAL(s)"	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
"Placing"	arrangements to place the Unsubscribed Shares (including NQS Unsold Rights Shares) by the Placing Agent on a best effort basis pursuant to the Placing Agreement
"Placing Agent"	Constance Capital Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO, which will place the Unsubscribed Shares (including NQS Unsold Rights Shares) to investors who are Independent Third Parties under the Compensatory Arrangements
"Placing Agreement"	the placing agreement dated 27 January 2026 entered into between the Company and the Placing Agent in relation to the Placing

"Placing Period"	the period from Friday, 17 April 2026 up to 4:00 p.m. on fifth (5th) Business Day after the date of announcement of the number of Unsubscribed Shares (including NQS Unsold Rights Shares), being Thursday, 23 April 2026, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements
"Placing Price"	not less than HK$0.10 per Unsubscribed Share
"PRC"	the People's Republic of China, and for the purpose of this Circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Prospectus"	the prospectus to be despatched by the Company to the Shareholders containing details of the Rights Issue
"Prospectus Documents"	the Prospectus and the PAL(s)
"Prospectus Posting Date"	Monday, 23 March 2026 (or such other date as may be determined by the Company), being the date of despatch of the Prospectus Documents to the Qualifying Shareholders and the Prospectus for information only to the Excluded Shareholders
"Public Float Requirement"	the public float requirement under Rules 17.37B of the GEM Listing Rules
"Qualifying Shareholder(s)"	Shareholder(s), other than the Excluded Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date
"Record Date"	Friday, 20 March 2026, the record date for the determination of the entitlements under the Rights Issue
"Registrar"	Union Registrars Limited at Suites 3301–04, 33/F. Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, being the Company's branch share registrar and transfer office in Hong Kong
"Rights Issue"	the proposed issue by way of rights of one (1) Rights Share for every two (2) Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions to be set out in the section headed "Letter from the Board — Conditions of the Rights Issue" in this circular

"Rights Share(s)"	the new Share(s) to be allotted and issued under the Rights Issue, being 295,579,750 Shares (assuming there is no change in the number of issued Shares from the Latest Practicable Date up to and including the Record Date)
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.1 each in the share capital of the Company
"Share Option Scheme"	the share option scheme approved and adopted by the Company on 19 June 2018
"Shareholder(s)"	the holder(s) of the issued Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	HK$0.10 per Rights Share
"substantial shareholder(s)"	has the same meaning ascribed thereto under the GEM Listing Rules
"Takeovers Code"	The Code on Takeovers and Mergers of Hong Kong
"Unsubscribed Shares"	those Rights Shares that are not subscribed by the Qualifying Shareholders and Rights Shares which would otherwise have been allotted to the Excluded Shareholders, being the NQS Unsold Rights Shares
"%"	per cent

EXPECTED TIMETABLE

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

Events	**Hong Kong Date and Time** **2026**
Latest time for lodging transfer documents of the Shares in order to be qualified for attendance and voting at the EGM	4:00 p.m. on Tuesday, 3 March
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the EGM (both days inclusive)	Wednesday, 4 March to Tuesday, 10 March
Latest time for lodging proxy forms for the EGM (not less than 48 hours prior to the time of the EGM)	10:00 a.m. on Sunday, 8 March
Record date for determining attendance and voting at the EGM	Tuesday, 10 March
Expected date and time of EGM to approve the Rights Issue	10:00 a.m. on Tuesday, 10 March
Announcement of the poll result of the EGM	Tuesday, 10 March
Register of members of the Company re-opens	Wednesday, 11 March
Last day of dealings in the Shares on a cum-rights basis relating to the Rights Issue	Wednesday, 11 March
First day of dealings in the Shares on an ex-rights basis relating to the Rights Issue	Thursday, 12 March
Latest time for the Shareholders to lodge transfer documents of the Shares in order to be qualified for the Rights Issue	4:00 p.m. on Friday, 13 March
Closure of register of members to determine the eligibility of the Rights Issue (both days inclusive)	Monday, 16 March to Friday, 20 March

Events	Hong Kong Date and Time 2026
Record date for the Rights Issue	Friday, 20 March
Register of members of the Company re-opens	Monday, 23 March
Despatch of the Prospectus Documents (including the PAL and Prospectus) (in case of the Excluded Shareholders, the Prospectus only)	Monday, 23 March
First day of dealings in nil-paid Rights Shares	Wednesday, 25 March
Latest time for splitting the PAL	4:00 p.m. on Friday, 27 March
Last day of dealings in nil-paid Rights Shares	Wednesday, 1 April
Latest Time for Acceptance of and payment for the Rights Shares	4:00 p.m. on Thursday, 9 April
Announcement of the number of the Unsubscribed Shares (including NQS Unsold Rights Shares) subject to the Compensatory Arrangements	Thursday, 16 April
Commencement of placing of the Unsubscribed Shares (including NQS Unsold Rights Shares) by the Placing Agent, on best effort basis	Friday, 17 April
Latest time for placing the Unsubscribed Shares (including NQS Unsold Rights Shares)	4:00 p.m. on Thursday, 23 April
Latest Time for the termination of the Placing Agreement	5:00 p.m. on Friday, 24 April
Announcement of results of the Rights Issue (including results of the Placing and the Net Gain per Unsubscribed Share (including NQS Unsold Rights Shares) under the Compensatory Arrangements)	Monday, 4 May
Despatch of share certificates for fully-paid Rights Shares and refund cheques (if the Rights Issue is terminated)	Tuesday, 5 May
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Wednesday, 6 May
Designated broker commences to provide matching services for odd lots of Shares	Wednesday, 6 May

Events	Hong Kong Date and Time 2026
Payment of Net Gain to relevant No Action Shareholders (if any) or Excluded Shareholders (if any)	Tuesday, 12 May
Designated broker ceases to provide matching services for odd lots of Shares	Wednesday, 20 May

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 of and payment for the Rights Shares will not take place if:

(i) tropical cyclone warning signal No. 8 (or above);

(ii) "extreme conditions" caused by super typhoons as announced by the Government of the Hong Kong Special Administrative Region; or

(iii) a "black" rainstorm warning

(a) is/are in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or

(b) is/are in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. 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 in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the "Expected Timetable" above may be affected. Announcement will be made by the Company in such event. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

PACIFIC LEGEND GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8547)

Executive Directors:
Ms. Wong Wing Man *(Chairperson)*
Mr. Wong Sui Chi
Mr. Law Sai Kit
Mr. Lam Chun Hin

Independent non-executive Directors:
Mr. So Alan Wai Shing
Mr. Lee Kwong Ming
Mr. Chan Kin Sun

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

Principal place of business in Hong Kong:
6/F, Horizon Plaza
2 Lee Wing Street
Ap Lei Chau, Hong Kong

13 February 2026

To the Shareholders

Dear Sir/Madam,

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

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder.

The purpose of this circular is to provide you with, among other things, (i) further details of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder; and (iv) a notice convening the EGM for the purpose of considering and, if thought fit, approving, among other things, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder.

PROPOSED RIGHTS ISSUE

The Board proposes the Rights Issue with the terms set out as follows:

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK$0.10 per Rights Share
Net price per Rights Share (i.e. Subscription Price less estimated cost and expenses incurred in the Rights Issue)	:	Approximately HK$0.095 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	591,159,500 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue	:	up to 295,579,750 Rights Shares (assuming there is no change to the total issued Shares of the Company on or before the Record Date)
Aggregate nominal value of the Rights Shares	:	up to HK$29,557,975 (assuming there is no change to the total issued Shares of the Company on or before the Record Date)
Total number of Shares in issue upon completion of the Rights Issue	:	up to 886,739,250 Shares (assuming there is no change to the total issued Shares of the Company on or before the Record Date)
Number of Rights Shares being undertaken by Century Great	:	19,052,750 Rights Shares undertaken by Century Great
Gross proceeds from the Rights Issue	:	up to approximately HK$29.6 million before expenses (assuming there is no change to the total issued Shares of the Company on or before the Record Date)

As at the Latest Practicable Date, apart from the 9,450,000 share options granted to the Directors and certain employees of the Group to subscribe for an aggregate of 9,450,000 Shares under the Share Option Scheme which are exercisable during 13 June 2026 to 12 June 2027, the Company has no other outstanding derivatives, warrants, options or convertible securities in issue or other similar rights which confer any right to convert into or subscribe for Shares. The Company has no intention to issue any new Shares or issue or grant any options, warrants or other convertible securities which confer any right to convert into or subscribe for Shares on or before the Record Date.

Since the exercise period of the Share Options are later than the Record Date as set out in the expected timetable, no share option will be exercised before the Record Date and the Share Options will not change the total issued Shares of the Company on or before the Record Date.

Assuming there is no change to the total issued Shares of the Company on or before the Record Date, the 295,579,750 Rights Shares to be issued pursuant to the terms of the Rights Issue represent 50.0% of the total number of issued Shares and approximately 33.3% of the total number of issued Shares as enlarged by the issue of the Rights Shares.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Unsubscribed Shares (including NQS Unsold Rights Shares) will be placed to independent placees under the Compensatory Arrangements on a best effort basis. Any Unsubscribed Shares (including NQS 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 is no minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s), or transferees of nil-paid Rights Shares (or either of them, whichever shall be appropriate), may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or result in the Company's non-compliance of the Public Float Requirement of the GEM Listing Rules. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which (i) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 10.26(2) of the GEM Listing Rules; and (ii) does not result in the non-compliance of the Public Float Requirement. Any subscription monies not utilised due to the scaled-down application of entitled Rights Shares will be refunded to the affected applicants.

The Irrevocable Undertakings

As at the Latest Practicable Date, the Board has received from Century Great, which is wholly-owned by Ms. Wong, an executive Director of the Company, who holds 38,105,500 Shares (representing approximately 6.45% of the issued share capital of the Company as at the Latest Practicable Date), the Irrevocable Undertakings. Pursuant to the Irrevocable Undertakings, Ms. Wong and Century Great have provided irrevocable and unconditional undertakings to the Company to (i) accept, or procure Century Great to accept their entitlements to the provisional allotment of an aggregate of 19,052,750 Rights Shares; (ii) not to sell or transfer the Shares held by themselves in any manner before the completion or lapse of the Rights Issue; and (iii) submit the PAL together with the full amount payable in relation to the acceptance of the 19,052,750 Rights Shares in accordance with the instructions set out in the Prospectus and the PAL in no event later than the time specified in the PAL. As at the Latest Practicable Date, save for Ms. Wong and Century Great, the Board has not received any indication from any Shareholders of their intention to take up or not to take up the securities of the Company to be offered to them under the Rights Issue.

The Subscription Price

The Subscription Price of HK$0.10 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of the Rights Shares or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

(i) a premium of approximately 31.58% to the closing price of HK$0.0760 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a premium of approximately 25.00% to the closing price of HK$0.0800 per Share as quoted on the Stock Exchange on the date of the Announcement;

(iii) a premium of approximately 26.58% to the closing price of HK$0.0790 per Share as quoted on the Stock Exchange on the Last Trading Day;

(iv) a premium of approximately 31.23% to the average closing price per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day of approximately HK$0.0762;

(v) a premium of approximately 30.55% to the average closing price per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day of approximately HK$0.0766;

(vi) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of a discount of approximately 4.60% after taking into account the rights issue announced by the Company within the 12 months period immediately preceding the date of the Announcement;

(vii) a premium of approximately 16.28% to the theoretical ex-rights price of approximately HK$0.0860 per Share based on the closing price of HK$0.0790 per Share as quoted on the Stock Exchange on the Last Trading Day; and

(viii) a premium of approximately 4.09% to the consolidated net asset value per Share attributable to the Shareholders as at 30 June 2025 of approximately HK$0.0961 calculated based on the audited consolidated net assets of the Group attributable to the Shareholders of approximately HK$56,794,000 as set out in the annual report of the Company for the eighteen months ended 30 June 2025 and 591,159,500 Shares in issue as at the Latest Practicable Date.

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 Subscription Price was determined taking into consideration (i) the lowest Subscription Price is HK$0.10 per Share given the par value of the Shares is HK$0.10 per Share; (ii) the general downward trend of the daily closing price of the Shares during the past three months immediately before the date of the Announcement which is a decrease of approximately 68.6% from a closing price of HK$0.255 per Share on 27 October 2025 (being the date three months prior to the date of the Announcement) to HK$0.08 per Share on 27 January 2026 (being the date of the Announcement), as compared to the general increase of Hang Seng Index during the same period of approximately 2.6% from 26,433.7 on 27 October 2025 to 27,126.95 on 27 January 2026; (iii) the loss making position of the Group in the latest annual report of the Company and the prior three years (being the three years ended 31 December 2021, 2022 and 2023); (iv) the low trading volume of the Shares with approximately 9.9 million average daily trading volume of the Shares over the past year immediately before the Announcement, representing approximately 1.7% of the total number of issued Shares as at the Last Trading Day; and (v) the amount of funds the Company intends to raise under the Rights Issue for the purposes described in the section headed "Reasons for and benefits of the Rights Issue and use of proceeds" of this circular.

The Directors (including the independent non-executive Directors after taking into account the advice of the Independent Financial Adviser) consider that, the terms of the Rights Issue, including the Subscription Price, are on commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The net price per Rights Share (i.e. Subscription Price less the estimated cost and expenses to be incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of the Rights Shares will be approximately HK$0.095 per Rights Share.

Basis of provisional allotment

Under the Rights Issue, the basis of the provisional allotment will be one (1) Right Shares for every two (2) Shares held by the Shareholders as at the close of business on the Record Date at the Subscription Price. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with 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.

If a Qualifying Shareholder wishes to accept only a part of, or to renounce or transfer a part of, the Rights Shares provisionally allotted to him/her/it under the PAL, such Qualifying Shareholder will need to split his/her/its PAL into the denominations required. Details as to how to split the PALs will be set out in the Prospectus.

Fractional provisional allotment of the Rights Shares

The Company will not provisionally allot and will not accept application for any fractions of Rights Shares. All fractions of Rights Shares will be aggregated (and rounded down to the nearest whole number of a Share) and all Rights Shares arising from such aggregation will be sold in the market for the benefit of the Company if a premium (net of expenses) can be achieved.

Odd lot arrangement

In order to facilitate the trading of odd lots (if any) of the Shares arising from the Rights Issue, a designated broker will be appointed to match the purchase and sale of odd lots of the Shares at the relevant market price per Share on a best effort basis. Holders of odd lots of Shares should note that successful matching of the sale and purchase of odd lots of Shares is not guaranteed. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers. Further details of the odd lot arrangement will be set out in the Prospectus.

Status of the Rights Shares

The Rights Shares (when allotted, fully paid or credited as fully paid and issued) will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares. Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company may send copies of the Prospectus to the Excluded Shareholders for their information only but will not send any PAL to them.

To qualify for the Rights Issue, a Shareholder must be (i) registered as a member of the Company at the close of business on the Record Date; and (ii) not an Excluded Shareholder.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company and are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as members of the Company on the Record Date, the Shareholders must lodge any transfer documents of the Shares (together with the relevant share certificates) with the Registrar by no later than 4:00 p.m. on Friday, 13 March 2026.

The Company expects to send the Prospectus Documents to the Qualifying Shareholders on Monday, 23 March 2026.

Qualifying Shareholders who take up their pro-rata entitlement in full under the Rights Issue will not suffer any dilution to their interests in the Company.

If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Certificates of the Rights Shares and refund cheques

Subject to fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be sent on or about Tuesday, 5 May 2026 by ordinary post to those entitled thereto, at their own risk, to their registered addresses.

If the Rights Issue does not become unconditional, refund cheques are expected to be sent on or about Tuesday, 5 May 2026 by ordinary post to the applicants, at their own risk, to their registered addresses.

Taxation

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

Application for listing in nil-paid and fully-paid forms

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 nil-paid and fully-paid forms) to be allotted and issued pursuant to the Rights Issue. 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. Dealing in the Rights Shares in both their nil-paid and fully-paid forms will be in the board lots of 10,000 Rights Shares.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and the 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 respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange, or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Rights of Overseas Shareholders

The Prospectus Documents to be issued in connection with the Rights Issue will not be registered or filed under the securities law of any jurisdiction other than Hong Kong. If there are Overseas Shareholders at the close of business on the Record Date, the Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

Based on the register of members of the Company as at the Latest Practicable Date, there were 12 Overseas Shareholders with registered addresses located in the PRC, which were interested in an aggregate of 83,000 Shares, representing approximately 0.01% of the Company's issued share capital as at the Latest Practicable Date. Save for the 12 Overseas Shareholders with registered addresses located in the PRC, there were no other Overseas Shareholders based on the register of members of the Company as at the Latest Practicable Date.

Pursuant to Rule 17.41(1) of the GEM Listing Rules, the Company has made enquiry in respect of the legal restrictions under the laws of the relevant places and the requirements of the relevant regulatory body or stock exchange in those places for the Company to extend the Rights Issue to the Overseas Shareholders. Based on the relevant legal advice on the laws of the PRC, the Board is of the view that it is not necessary or expedient to exclude the Overseas Shareholders with the registered address in the PRC. In particular, under the currently effective legislations of the jurisdiction, there is no regulatory restriction or requirement of any regulatory body or stock exchange with respect to the extending of the Rights Issue by the Company to the Overseas Shareholders in the relevant jurisdiction, provided that such Overseas Shareholders shall comply with and fulfill the provisions of the relevant laws and regulations as well as the policies and requirements of the relevant government authorities.

Accordingly, the Rights Issue will be extended to such Overseas Shareholders in the PRC and there are no Excluded Shareholders for the Rights Issue as at the Latest Practicable Date. Save for the aforesaid Overseas Shareholders, all Shareholders on the Company's register of members as at the Latest Practicable Date have Hong Kong registered addresses.

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

The Company will comply with Rule 17.41(1) of the GEM Listing Rules and make necessary enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders, if any, under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, based on the legal advices to be provided by the legal advisers to the Company, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s), the Rights Issue will not be extended to such Overseas Shareholders. The basis for excluding the Excluded Shareholders, if any, from the Rights Issue will be set out in the Prospectus to be issued.

It is the responsibility of the Qualifying Shareholders outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself before acquiring any rights to subscribe for the Rights Shares as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connected therewith. Any acceptance of or application for Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty.

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 relevant Excluded Shareholder(s). The Company will retain individual amounts of HK$100 or less for the benefit of the Company.

Any unsold entitlement of the Excluded Shareholders to the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders will, if possible, be placed by the Placing Agent under the Placing to investors who (or as the case may be, their ultimate beneficial owner(s)) are Independent Third Parties.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. Shareholders and beneficial owners of the Shares (including, without limitation, their respective agents, custodians, nominees and trustees) should inform themselves of and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Procedures in respect of the Unsubscribed Shares (including NQS Unsold Rights Shares) and the Compensatory Arrangements

Pursuant to Rule 10.31(1)(b) of the GEM Listing Rules, the Company must make arrangements to dispose of any Unsubscribed Shares (including NQS Unsold Rights Shares) Shares by offering such Unsubscribed Shares (including NQS Unsold Rights Shares) to independent placees for the benefit of those Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue as stipulated by Rule 10.31(1)(a) of the GEM Listing Rules.

The Company has appointed the Placing Agent to place the Unsubscribed Shares (including NQS Unsold Rights Shares) after the Latest Time for Acceptance to independent placees on a best effort basis, and any premium over the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related costs and expenses), that is realised from the Placing (the "**Net Gain**") will be paid to the relevant No Action Shareholders and Excluded Shareholders in the manner set out below. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Thursday, 23 April 2026, acquirers for all (or as many as possible) of those Unsubscribed Shares (including NQS Unsold Rights Shares) at a price not less than the Subscription Price.

Net Gain (if any but rounded down to the nearest cent) will be paid on a pro-rata basis to the relevant No Action Shareholders and Excluded Shareholders as set out below:

(i) for No Action Shareholders, 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 where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL and where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holder of those nil-paid rights in CCASS; and

(ii) for Excluded Shareholders, the relevant Excluded Shareholders whose name and address appeared on the register of members of the Company on the Record Date with reference to their shareholdings in the Company on the Record Date.

It is proposed that if the Net Gain to any of the No Action Shareholder(s) and Excluded Shareholder(s) mentioned above (i) is more than HK$100, the entire amount will be paid to them; or (ii) is HK$100 or less, such amount will be retained by the Company for its own benefit.

CLOSURE OF REGISTER OF MEMBERS FOR EGM

The register of members of the Company will be closed from Wednesday, 4 March 2026 to Tuesday, 10 March 2026 (both dates inclusive) for the purpose of determining the identity of the Shareholders entitled 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 Monday, 16 March 2026 to Friday, 20 March 2026 (both dates inclusive) for the purpose of determining entitlements to the Rights Issue. During this period, no transfer of Shares will be registered.

PLACING AGREEMENT

Principal terms of the Placing Agreement are as follow:

Placing Agent	:	Constance Capital Limited The Placing Agent is a licensed corporation to carry out business in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. To the best knowledge, information and belief of the Directors, after making reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are independent of and not connected with the Company and its connected persons within the meaning of the GEM Listing Rules.
Placing commission	:	Subject to completion of the Placing taking place, the Company shall also pay a placing commission in Hong Kong dollars, of 2.0% of the amount (the "**Placing Commission**") which is equal to the placing price multiplied by the number of the Unsubscribed Shares (including NQS Unsold Rights Shares) that have been successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement.
Placing Price	:	Not less than HK$0.10 per Unsubscribed Share (including NQS Unsold Rights Shares).
Placing Period	:	A period commencing from the first (1st) Business Day immediately after the date of announcement of the number of the Unsubscribed Shares (including NQS Unsold Rights Shares) (i.e. Friday, 17 April 2026 under the current timetable) and ending on 4:00 p.m. on the fifth (5th) business after the date of announcement of the number of the Unsubscribed Shares (including NQS Unsold Rights Shares) (both days inclusive).
Placees	:	The Unsubscribed Shares (including NQS Unsold Rights Shares) be placed to investors who (or as the case may be, their ultimate beneficial owner(s)) are Independent Third Parties. The Placing Agent shall also ensure that the Public Float Requirement remains to be fulfilled by the Company upon completion of the Rights Issue.

Ranking of the placed Unsubscribed Shares (including NQS Unsold Rights Shares) : The placed Unsubscribed Shares (including NQS Unsold Rights Shares) (when allotted, issued and fully-paid, if any) shall rank *pari passu* in all respects among themselves and with the existing 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 Rights Issue having become unconditional;

(ii) the Company's warranties contained in the Placing Agreement remaining true and accurate and not misleading in all material respects at all times prior to the date of completion of the Placing;

(iii) the GEM Listing Committee granting the listing of, and permission to deal in, the Unsubscribed Shares (including NQS Unsold Rights Shares) with or without conditions;

(iv) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and

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

None of the above conditions can be waived. In the event that the above conditions precedent have not been fulfilled on or before the Latest Time for Termination, all rights, obligations and liabilities of the parties under the Placing Agreement in relation to the Placing shall cease and terminate and none of the parties shall have any claim against the other in respect of the Placing (save for any antecedent breaches and/or any rights or obligations which may accrue under the Placing Agreement prior to such termination).

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

Termination : Notwithstanding anything contained in the Placing Agreement, the Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to the Latest Time for Termination upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Unsubscribed Shares (including NQS 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:

(i) 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, industry, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would affect the success of the Placing; or

(ii) 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 absolution opinion, would affect the success of the Placing; or

(iii) 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 absolute 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

(iv) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control), which has or may affect the business or financial position of the Group and which in the Placing Agent's absolute opinion would affect the success of the Placing; or

(v) any breach of any of the representations and warranties given by the Company as set out in the Placing Agreement having come to the knowledge of the Placing Agent or any event having occurred or any matter having arisen on or after the date of the Placing Agreement and prior to the completion of the Rights Issue which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in a material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or

(vi) the Unsubscribed Shares (including NQS Unsold Rights Shares) are not approved by the relevant regulatory bodies and/or regulatory authorities to be placed to any placees as contemplated in the Placing Agreement.

The above termination event (i) represents a force majeure clause.

The terms of the Placing Agreement were determined after arm's length negotiation between the Placing Agent and the Company with reference to (i) the prevailing market rate for rights issues, including the underwriting or placing commissions of recent proposed rights issues announced by companies listed on GEM of the Stock Exchange with relevant listing documents issued within 6 months prior to the Last Trading Day (as further elaborated in next paragraph) which are ranged from 0.5% to 7.07% and with a median and average of 2.5% and approximately 2.8% respectively; (ii) the existing financial position of the Group including gearing ratio of 30.7% as at 30 June 2025 and the continued losses attributable to owners of the Company for the past five years; (iii) the size of the Rights Issue when aggregated with the rights issue conducted within the past twelves months before the date of the Announcement, which potentially enlarging the total number of issued Shares by 50%; (iv) the placing price of HK$0.10 per Share which is at a premium to the latest trading price per Share before signing of the Placing Agreement; and (v) the general downward trend of the daily closing price of the Shares of the Company during the past 3 months, as noted by the decrease of closing price of the Shares from HK$0.255 per Share on 27 October 2025 to HK$0.08 on the date of the Announcement. The Directors consider that the terms of the Placing Agreement are fair and reasonable and on normal commercial terms.

The Company has conducted a search of recent proposed rights issues announced by companies listed on GEM of the Stock Exchange with relevant listing documents issued within the 6 months prior to the Last Trading Day. The Company has identified an exhaustive list of a total of seven (7) rights issues comparables ("**Rights Issues Comparables**") during the respective period. The Board considered that notwithstanding that the businesses, operations, prospects and funding needs of the Company are not the same as the subject companies of the Rights Issues Comparables, the Rights Issues Comparables illustrate recent rights issues transactions conducted by companies listed on the GEM of the Stock Exchange during a period close to and including the Last Trading Day.

Details of the seven (7) Rights Issues Comparables are set out below:

Stock Code	**Listing document date**	**Company Name**	**Placing/ underwriting commission, as the case may be** *(%)*
8178	11 September 2025	China Information Technology Development Limited	7.07
8282	24 October 2025	Gameone Holdings Limited	0.50
8341	21 November 2025	Aeso Holding Limited	2.50
8516	15 December 2025	Zhong Ying International Group Ltd	3.00
8431	2 January 2026	Hao Bai International (Cayman) Ltd	1.50
8283	5 January 2026	Zhongshi Minan Holdings Limited	2.50
8612	21 January 2026	World Super Holdings Ltd	2.50
Min			0.50
Max			7.07
Median			2.50
Average			2.80

The Placing Agent will, on a best effort basis during the Placing Period, seek to procure subscribers who (or as the case may be, their ultimate beneficial owner(s)) are Independent Third Parties for all (or as many as possible) of the Unsubscribed Shares (including NQS Unsold Rights Shares).

If all or any of the Unsubscribed Shares (including NQS Unsold Rights Shares) are successfully placed, any Net Gain will be distributed to the relevant No Action Shareholders and Excluded Shareholders. Any Unsubscribed Shares (including NQS Unsold Rights Shares) that are not placed by the Placing Agent will not be issued by the Company. As at the Latest Practicable Date, the Placing Agent has not identified any placee(s). In any case, any placees will be independent among themselves and will be independent of and not acting at the direction of any connected person of the Company. As such, the Company considers that the Compensatory Arrangements will provide a compensatory mechanism for the No Action Shareholders, protect the interest of the Independent Shareholders, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As the Company has put in place the above Compensatory Arrangements as required by Rule 10.31(1)(b) of the GEM Listing Rules, there will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 10.31(1)(a) of the GEM Listing Rules.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. There are no applicable statutory requirements regarding minimum subscription levels in respect of the Rights Issue. In the event of an under-subscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly.

CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue is conditional upon the fulfilment of the following conditions:

(i) the delivery to the Stock Exchange, and filing and registration with Companies Registry in Hong Kong of one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by a resolution of the Directors (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and in compliance with the GEM Listing Rules, the Companies (WUMP) Ordinance and the Companies Ordinance;

(ii) the despatch of the Prospectus Documents to the Qualifying Shareholders by the Prospectus Posting Date and the despatch of the Prospectus and a letter to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date. The Prospectus Documents will be published on the website of the Stock Exchange and the Company;

(iii) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) listing of and permission to deal in all the Rights Shares, in both nil-paid and fully-paid forms and such listing not being withdrawn or revoked;

(iv) the Independent Shareholders having approved at the EGM of the Rights Issue and the Placing Agreement no later than the Prospectus Posting Date; and

(v) the Placing Agreement not having been terminated in accordance with the provisions thereof, and remaining in full force and effect.

As at the Latest Practicable Date, none of the conditions has been fulfilled. None of the above conditions can be waived. The Company shall use its reasonable endeavours to procure the fulfilment of the conditions above (to the extent it is within its power to do so) and shall do all the things required to be done by it pursuant to the Prospectus Documents or otherwise reasonably necessary to give effect to the Rights Issue. If any of the conditions referred to above are not fulfilled at or before the Latest Time for Termination, the Rights Issue will not proceed.

As the proposed Rights Issue is subject to the fulfilment of the above conditions, it may or may not proceed. Shareholders and public investors are advised to exercise caution in dealing in the securities of the Company.

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

The Group is principally involved in (i) the sale of home furniture and accessories; (ii) rental of home furniture and accessories; and (iii) project and hospitality services, which typically involve designing, styling, decorating and furnishing commercial or residential properties such as hotels, serviced apartments and showflats.

Assuming that there is no change in the number of issued Shares on or before the Record Date, the gross proceeds from the Rights Issue will be approximately HK$29.6 million and the net proceeds from the Rights Issue after deducting the estimated expenses in relation to the Rights Issue are estimated to be approximately HK$28.1 million. The net price per Rights Shares (i.e. Subscription Price less the estimated cost and expenses to be incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK$0.095 per Rights Share.

The Company intends to use the net proceeds from the Rights Issue as follows: (i) approximately 34% or HK$9.5 million for repayment of both principal and interest of borrowing in relation to an unsecured bond payable with a principal amount of RMB10 million, (equivalent to HK$10,630,000 based on the Fixed Exchange Rate) of which approximately RMB1.4 million has been repaid, (equivalent to approximately HK$1.5 million based on the Fixed Exchange Rate) subscribed from an Independent Third Party and maturing on 27 March 2026 (the "**Bond Payable**"), which is expected to be refinanced or extended prior to the completion of the Rights Issue, and the net proceeds will be applied to repay such refinanced or extended borrowing thereafter; (ii) approximately 18% or HK$5.0 million for payment of rental expenses including accrued rental expenses; (iii) approximately 18% or HK$5.0 million for Dubai project, which is a project to provide furniture for an international airline company's staff accommodation for at least 3 years; (iv) approximately 7% or HK$2.0 million for opening a new retail store in Hong Kong; and (v) remaining approximately 23% or HK$6.6 million for general working capital of the Group for payments of salary, suppliers and other operating and administrative expenses.

Repayment of borrowing

Based on the Company's current funding planning and subject to the outcome of discussions with the relevant lender(s) and prevailing market conditions, the Company intends to address its short-term funding needs upon maturity of the Bond Payable by seeking a short-term extension of the Bond Payable, or by refinancing the Bond Payable with other short-term borrowings. The Company also intends to repay the refinanced or extended borrowing after receipt of the proceeds from the Rights Issue. As at the Latest Practicable Date, the Company is in discussion with the lender regarding a proposed extension of the Bond Payable and the lender has indicated it will consider offering extension if the Rights Issue are conducted as scheduled. The Company is also in discussion with financial institutions in Hong Kong for possible other debt financing or borrowings to refinance the Bond Payable. No financing arrangement has been signed with any banks to refinance the Bond Payable as at the Latest Practicable Date.

Approximately RMB1.4 million (equivalent to approximately HK$1.5 million based on the Fixed Exchange Rate) of the RMB10 million Bond Payable has been repaid and the current outstanding principal amount of the Bond Payable is approximately RMB8.6 million (equivalent to approximately HK$9.1 million based on the Fixed Exchange Rate). The amount of interest arising from the Bond Payable is approximately RMB86,000 (equivalent to approximately HK$91,000 based on the Fixed Exchange Rate) which is payable on maturity, and the total principal and accrued interest payable on maturity date of 27 March 2026 is approximately RMB8.7 million (equivalent to approximately HK$9.2 million based on the Fixed Exchange Rate). The repayment of the Bond Payable includes the outstanding interest. The Company expects the allocated proceeds of approximately HK$9.5 million is sufficient to repay the Bond Payable including the potential interest arising from possible extension. In the event that the allocated proceeds is insufficient for repayment of the principal and interest of Bond Payable, the Company expects to utilise cash and cash equivalents and the cash flows generated from operating activities to finance the remaining portion of the Bond Payable.

The interest expense arising from the Bond Payable is approximately RMB86,000 (equivalent to approximately HK$91,000 based on the Fixed Exchange Rate). In the event the Group repays the Bond Payable, such interest expenses will be reduced.

Dubai project

The Group has been engaged by an international airline company to supply and install furniture for the airline's staff accommodation located in Dubai for at least 3 years. The service to be provided by the Group includes supplying and installing furniture according to the work order and ensuring the design, workmanship and materials used are new and of high-quality, and conform with the quality and description specified in the work order.

Expected timeline of the proposed use of net proceeds and other potential ways to finance the capital requirement

Sets out below are the timeline for each of the proposed use of net proceeds, and other potential ways to finance the capital requirement in the event that the Rights Issue is not approved by the Independent Shareholders and the Group does not generate enough operating cash flows to fulfill the relevant obligations:

Use of Proceeds	Amount (approximately)	Expected timeline of the proposed use of net proceeds	Other potential ways to finance the capital requirement
Repayment of both principal and interest of borrowing	HK$9.5 million	By the first half of 2026	Discuss with the lender to extend the Bond Payable or obtain new borrowing from banks in Hong Kong to refinance the Bond Payable
Payment of rental expenses	HK$5.0 million	By the end of 2026	Obtain new borrowings from banks in Hong Kong or Dubai, or conduct other fund raising activities (including but not limited to placing or subscription of new shares under specific mandate or general mandate after refreshment of general mandate (as the case may be)
Dubai project	HK$5.0 million	By the end of 2026	Obtain new borrowings from banks in Hong Kong or Dubai, or discuss with the airline the possibility of delaying the commencement of the project, or conduct other fund raising activities (including but not limited to placing or subscription of new shares under specific mandate or general mandate after refreshment of general mandate (as the case may be)

Use of Proceeds	Amount (approximately)	Expected timeline of the proposed use of net proceeds	Other potential ways to finance the capital requirement
Opening a new retail store in Hong Kong	HK$2.0 million	By the end of 2026	Obtain new borrowings from banks in Hong Kong or Dubai, or reallocate the rental expense budgeted for other retail store should the Group decided not to renew certain existing leases upon expiry following reassessment of its retail store portfolio, or conduct other fund raising activities (including but not limited to placing or subscription of new shares under specific mandate or general mandate after refreshment of general mandate (as the case may be)
General working capital	HK$6.6 million	By the end of 2026	Obtain new borrowings from banks in Hong Kong or Dubai, or conduct other fund raising activities (including but not limited to placing or subscription of new shares under specific mandate or general mandate after refreshment of general mandate (as the case may be)

As at 31 December 2025, the Group has approximately HK$3.6 million cash and cash equivalents based on the unaudited management account. The Group intends to use the existing cash and cash equivalent to continue its ordinary business operations and meeting the short-term obligations as they fall due, including the procurement of goods and services in connection with our sale of furniture and designing projects, the settlement of trade and other payables, and the servicing of interest obligations on the Group's interest-bearing bank and other borrowings.

As disclosed in the annual report of the Group for the eighteen months ended 30 June 2025, despite challenging operating conditions, the Group recorded revenue of approximately HK$383.5 million for the eighteen months ended 30 June 2025 ("**18M2025**"), representing an increase of approximately 53.0% from approximately HK$250.6 million for the year ended 31 December 2023 ("**FY2023**") (or approximately 2.0% increase on a pro-rata basis).

The Group recorded gross profit of approximately HK$159.4 million in 18M2025 as compared to approximately HK$127.1 million in FY2023, representing an increase of approximately 25.4% (or a decrease of approximately 16.4% on a pro-rata basis). Gross profit margin declined due to a higher contribution from lower-margin business including large projects with developers to provide furniture to first-hand residential properties, increased retail discounts and higher cost of sales.

The Group's loss attributable to owners narrowed substantially to approximately HK$5.6 million for the 18M2025 from approximately HK$33.5 million for the FY2023, representing a decrease of approximately 83.3% (or a decrease of approximately 88.9% on a pro-rata basis). On a twelve months pro-rata basis by dividing the 18M2025 figures by 18 months and then multiplying it by 12 months ("**Pro-rata 18M2025**"), the Group's loss attributable to owners of approximately HK$5.6 million for 18M2025 is equivalent to approximately HK$3.7 million on a pro-rata basis, representing a decrease of approximately HK$29.8 million as compared FY2023. Such approximately HK$29.8 million decrease is primarily as a result of (i) the Group's effort in controlling its administrative and other operating expenses from approximately HK$93.1 million in FY2023 to approximately HK$70.0 million for the Pro-rata 18M2025, representing a cost saving of approximately HK$23.1 million; (ii) the decrease in provision for allowance of expected credit losses and impairment losses on non-financial assets from approximately HK$18.8 million in FY2023 to approximately HK$3.4 million for the Pro-rata 18M2025, representing a reduction of loss of approximately HK$15.4 million; (iii) the increase in fair value gain on an investment in an unlisted equity securities from a loss of approximately HK$2.9 million in FY2023 to a gain of approximately HK$8.4 million for the Pro-rata 18M2025, representing an increase of other income of approximately HK$11.3 million; being partially offset by (iv) the decrease in gross profit from approximately HK$127.1 million in FY2023 to approximately HK$106.3 million for the Pro-rata 18M2025, representing a decrease of gross profit of approximately HK$20.8 million.

For the eighteen months ended 30 June 2025, the second-hand property market in Hong Kong remained weak amid demographic changes and prolonged economic downturn. As a result of the decrease in Hong Kong market sentiment, together with the fierce market competition in Dubai, the Board has strategically shifted the focus on project business.

Looking ahead, the Group plans to continue to manage cash flows and operating costs prudently and optimize its retail footprint including reassessing retail store leases and locations. Following Hong Kong government's removal of residential property demand-side management measures for residential properties including special stamp duty, buyer's stamp duty or new residential stamp duty with effect from 28 February 2024 and increased housing supply initiative, the Group anticipates rising demand for property renovation and furnishing services.

The reassessment to the retail store leases and locations is intended to evaluate the benefits and costs that each retail store brings to the Group. While the Group may consider not renewing certain leases upon expiry, the Group will also adopt a cautious approach in evaluating new store locations, including the new retail store in Hong Kong for which part of the net proceeds will be used. In relation to the reassessment to the retail store leases and locations, the Group will focus on, amongst others, customer traffic, store layout, rental expense, ongoing maintenance spend when assessing the retail store portfolio. In relation to the new retail store in Hong Kong, the Group will monitor the capital expenditure on the new retail store and compare it against the expected future economic benefits to be generated by the new retail store in determining the new retail store plan and location.

The Company considers the Rights Issue and the use of the net proceeds from the Rights Issue will enable the Group to support its planned business initiatives, including (i) enhancing cash flow and improving profitability by reducing interest expenses through repayment of bank and other borrowings; (ii) meeting rental payments and settling accrued rental expenses from ongoing operations while implementing retail network optimization measures; (iii) deploying capital to support the development of the project business in Dubai; (iv) allocating capital to the Group's Hong Kong retail operations to capture potential recovery in local demand; and (v) providing general working capital to support the Group's operations.

As the Rights Issue will proceed on a non-underwritten basis, the actual amount of the net proceeds from the Rights Issue cannot be ascertained as at the Latest Practicable Date. In the event that there is an under-subscription of the Rights Issue and the Placing (as the case may be), the net proceeds of the Rights Issue and the Placing (as the case may be) will be allocated and utilized in proportion to the above uses.

Fundraising alternatives

The Board has considered various fundraising alternatives before resolving to the Rights Issue, including debt financing and equity financing alternatives such as open offer and placing of new shares.

The Board is of the view that debt financing will increase the gearing ratio of the Group and increase the ongoing interest expenses of the Group which may in turn affect the profitability of the Group.

With respect to equity financing alternatives, the Board considers that placing of new Shares would be a sub-optimal fundraising means as it will lead to an immediate dilution in shareholding interest of the existing Shareholders without offering them opportunities to participate in the enlargement of the capital base of the Company. As for open offer, similar to a rights issue, it also offers qualifying shareholders to participate, but it does not allow the trading of rights entitlements in the open market.

The Directors are of the view that the Rights Issue provides better financial flexibility for the Company as it will strengthen the capital base of the Company, thus enhancing the overall working capital to fulfill the development plan of the Group without further increase the interest burden to the Group. The Rights Issue also offers all Qualifying Shareholders the opportunity to maintain their pro rata shareholding interests in the Company and avoid shareholding dilution for those Shareholders who take up their entitlement under the Rights Issue in full.

Having considered the above, the Directors consider that the terms of the Rights Issue are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there is no change in the total issued Shares of the Company 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 (other than Century Great pursuant to the Irrevocable Undertakings) have taken up any entitlements of the Rights Shares and none of the Unsubscribed Shares (including NQS Unsold Rights Shares) are placed to the independent places; and (iv) immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders (other than Century Great pursuant to the Irrevocable Undertakings) have taken up any entitlements of the Rights Shares and all the Unsubscribed Shares (including NQS 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 (other than Century Great pursuant to the Irrevocable Undertakings) have taken up any entitlements of the Rights Shares and none of the Unsubscribed Shares (including NQS Unsold Rights Shares) are placed to the independent placees**		**Immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders (other than Century Great pursuant to the Irrevocable Undertakings) have taken up any entitlements of the Rights Shares and all the Unsubscribed Shares (including NQS Unsold Rights Shares) are placed to the independent placees**	
	Number of Shares	*Approximate %*	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*
Century Great Investments Limited *(Note 1)*	38,105,500	6.45	57,158,250	6.45	57,158,250	9.37	57,158,250	6.45
Double Lions Limited *(Notes 2, 3, 4, 5 and 6)*	17,410,000	2.95	26,115,000	2.95	17,410,000	2.85	17,410,000	1.96
Zheng Jing *(Note 7)*	66,800,000	11.30	100,200,000	11.30	66,800,000	10.95	66,800,000	7.53
Public Shareholders								
Other public Shareholders	468,844,000	79.31	703,266,000	79.31	468,844,000	76.83	468,844,000	52.87
Placees	—	—	—	—	—	—	276,527,000	31.18
Total	**591,159,500**	**100.00**	**886,739,250**	**100.00**	**610,212,250**	**100.00**	**886,739,250**	**100.00**

Notes:

1. Century Great Investments Limited is 100% owned by Ms. Wong.

2. Double Lions Limited is owned as to 40.48% by Mr. John Warren McLennan, 20.00% by Ms. Tracy-Ann Fitzpatrick, 14.88% by Ms. Alison Siobhan Bailey, 14.88% by Mr. John Martin Rinderknecht and 9.76% by Mr. James Seymour Dickson Leach (collectively, with Double Lions Limited, the "**Double Lions Shareholders**"). Each of the Double Lions Shareholders executed the deed of acting in concert dated 12 February 2018 confirming the existence of their acting in concert and are deemed to be interested in all the Shares owned by Double Lions Limited.

3. As at the Latest Practicable Date, Double Lions Limited is owned as to 40.48% by Mr. John Warren McLennan, a director of a subsidiary of the Company. Double Lions Limited is therefore a close associate of Mr. John Warren McLennan and thus the shares held by it are not regarded as being in public hands.

4. Mrs. Jennifer Carver McLennan is the spouse of Mr. John Warren McLennan and is deemed to be interested in the Shares held by Mr. John Warren McLennan by virtue of the SFO.

5. Mr. David Frances Bulbeck is the spouse of Ms. Tracy-Ann Fitzpatrick and is deemed to be interested in the Shares held by Ms. Tracy-Ann Fitzpatrick by virtue of the SFO.

6. Ms. Alison Siobhan Bailey and Mr. James Seymour Dickson Leach are married to each other and each of them is deemed to be interested in the Shares held by her/his spouse via Double Lions Limited by virtue of the SFO.

7. Other than being a substantial shareholder of the Company, Zheng Jing has no other relationship with the Company and its connected persons.

8. The percentage figures shown in the table above have been subject to rounding adjustments. Any discrepancies between totals and sums of the amounts listed herein are due to rounding adjustments.

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Issue.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST TWELVE MONTHS

Date of the announcements	Fund raising activity	Net proceeds	Intended use of the net proceeds as announced	Actual use of proceeds
19 March 2025, 25 April 2025 and 12 May 2025	Rights Issue of 136,843,500 rights shares	Approximately HK$13.3 million	General working capital of (i) approximately HK$2.3 million for payment of salary and remuneration expenses; (ii) approximately HK$3.0 million for payment of rental expenses; and (iii) approximately HK$8.0 million for trade related expenses including payments to suppliers, warehouse and logistics teams.	Fully utilized as intended
14 November 2025 and 25 November 2025	Subscription of 65,000,000 shares	Approximately HK$11.0 million	General working capital of (i) approximately HK$6.0 million for payment of salary, remuneration, rental, and trade related expenses; (ii) approximately HK$2.0 million for other operating & administrative expenses; and (iii) approximately HK$3.0 million for payment of the accrued expenses of the Group, including accrued rental expenses in Hong Kong, repayment of bank loan in Dubai and other borrowings by the end of 2025.	Fully utilized as intended
18 November 2025 and 25 November 2025	Subscription of 17,100,000 shares	Approximately HK$2.9 million	General working capital of (i) approximately HK$1.0 million for payment of salary, remuneration, rental, and trade related expenses; (ii) approximately HK$1.0 million for other operating & administrative expenses; and (iii) approximately HK$0.9 million for payment of the accrued expenses of the Group, including accrued rental expenses in Hong Kong, repayment of bank loan in Dubai and other borrowings by the end of 2025.	Fully utilized as intended
10 December 2025 and 19 December 2025	Placing of 98,520,000 shares	Approximately HK$11.4 million	General working capital of (i) approximately HK$6.0 million for payment of salary, remuneration, rental, and trade related expenses; (ii) approximately HK$4.4 million for other operating & administrative expenses; and (iii) approximately HK$1.0 million for payment of the accrued expenses of the Group, including accrued rental expenses in Hong Kong, repayment of bank loan in Dubai and other borrowings.	Fully utilized as intended

Save as disclosed above, there has not been any equity fund raising activity conducted by the Company in the past twelve months immediately preceding the Latest Practicable Date.

GEM LISTING RULES IMPLICATIONS

The Rights Issue standalone may increase the market capitalization of the Company by 50%. In accordance with Rule 10.29(1) of the GEM Listing Rules, as the Rights Issue, together with other rights issue announced by the Company within the 12 months period immediately preceding the date of the Announcement, will increase the issued Shares by more than 50%, the Rights Issue is subject to the approval of the Shareholders at the EGM by way of poll. The Rights Issue must be made conditional on approval by the Shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, the Directors (excluding independent non-executive Directors), the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue.

As at the Latest Practicable Date, the Company does not have any controlling shareholder. However, Century Great Investments Limited, which is wholly owned by Ms. Wong Win Man, an executive Director, holds 38,105,500 Shares, representing approximately 6.45% of the issued share capital of the Company as at the Latest Practicable Date. As such, Century Great Investments Limited 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 theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) is approximately 4.60% after taking into account the rights issue announced by the Company within the 12 months period immediately preceding the date of the Announcement. 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.

GENERAL

The EGM will be convened and held to consider, and if thought fit, to approve, among other things, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. So Alan Wai Shing, Mr. Lee Kwong Ming and Mr. Chan Kin Sun, has been established to advise the Independent Shareholders in respect of the Rights Issue, the Placing Agreement and the transaction contemplated thereunder. The Company has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

Your attention is drawn to the letter from the Independent Board Committee set out on pages IBC-1 to IBC-2 of this circular which contains its recommendation to the Independent Shareholders in relation to the Rights Issue, the Placing Agreement and the transactions contemplated thereunder, and as to the voting action therefor, and the letter from Independent Financial Adviser set out on pages IFA-1 to IFA-34 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

The notice convening the EGM to be held at 10:00 a.m. on Tuesday, 10 March 2026 is enclosed with this circular.

The register of members of the Company will be closed from Wednesday, 4 March 2026 to Tuesday, 10 March 2026 (both dates inclusive) for the purpose of determining the identity of the Shareholders entitled to attend and vote at the EGM. No transfer of Shares will be registered during the above book closure period. A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Registrar, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM. Completion and return of a form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

Subject to the fulfilment of certain conditions of the Rights Issue including the approval of the Shareholders at the EGM, the Company will despatch the Prospectus Documents containing, among other matters, details of the Rights Issue, to the Qualifying Shareholders on the Prospectus Posting Date. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company may despatch the Prospectus to the Excluded Shareholders for their information only but the Company will not send the PAL to the Excluded Shareholders.

WARNING OF THE RISK OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Rights Issue is conditional upon fulfilment of the conditions set out in the section headed "Letter from the Board — Conditions of the Rights Issue" of this circular, including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Accordingly, the Rights Issue may or may not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares.

Any Shareholders or potential investors contemplating selling or purchasing the Shares and/or the nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional and may not proceed.

Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company. 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).

RECOMMENDATION

The Directors (including the independent non-executive Directors) believe that the terms of the Rights Issue, the Placing Agreement and the transaction contemplated therein are fair and reasonable and in the interests of the Group and the Shareholders as a whole, therefore, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular. In case of any inconsistency between the English and Chinese versions of this circular, the English version will prevail.

For and on behalf of the Board
Pacific Legend Group Limited
Wong Wing Man
Chairperson and Executive Director

The following is the text of a letter of recommendation from the Independent Board Committee to the Independent Shareholders prepared for the purpose of inclusion in this circular.

PACIFIC LEGEND GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8547)

13 February 2026

To the Independent Shareholders

Dear Sir/Madam,

(I) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS; AND (II) NOTICE OF EXTRAORDINARY GENERAL MEETING

We refer to the circular of the Company dated 13 February 2026 (the "**Circular**") of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders as to whether the Rights Issue, the Placing Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders how to vote at the EGM. First Global Corporate Finance Co., Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this respect. Details of its advice together with the principal factors and reasons it has taken into consideration on giving its advice, are contained in its letter set out on pages IFA-1 to IFA-34 of the Circular. Your attention is also drawn to the letter from the Board and the additional information set out in the appendices to the Circular.

Having taken into account the principal factors and reasons considered by, and the advice of the Independent Financial Adviser, we considered that the Rights Issue and the Placing Agreement are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of the Independent Board Committee
Pacific Legend Group Limited

Mr. So Alan Wai Shing **Mr. Lee Kwong Ming** **Mr. Chan Kin Sun**
Independent non-executive Directors

The following is the full text of a letter of advice from First Global Corporate Finance Co., Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, which has been prepared for the purpose of incorporation in this circular.



Room 1706–07, 17/F
China Insurance Group Building
No.141 Des Voeux Road Central
Central, Hong Kong

13 February 2026

To: The Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular dated 13 February 2026 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 27 January 2026 (after trading hours), the Company announced its proposal to implement the Rights Issue on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date at the Subscription Price of HK$0.10 per Rights Share, to raise gross proceeds of approximately HK$29.6 million by issuing 295,579,750 Rights Shares to the Qualifying Shareholders.

GEM LISTING RULES IMPLICATIONS

In accordance with Rule 10.29(1) of the GEM Listing Rules, as the Rights Issue, together with other rights issues announced by the Company within the 12 months period immediately preceding the date of the Announcement, will increase the issued Shares by more than 50%, the Rights Issue is subject to the approval of the Shareholders at the EGM by way of poll. The Rights Issue must be made conditional on approval by the Shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, the Directors (excluding independent non-executive Directors), the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue.

As at the Latest Practicable Date, the Company does not have any controlling shareholder. However, Century Great Investments Limited, which is wholly owned by Ms. Wong Wing Man, an executive Director, holds 38,105,500 Shares, representing approximately 6.45% of the issued share capital of the Company as at the Latest Practicable Date. As such, Century Great Investments Limited 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 theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) is approximately 4.60% after taking into account the rights issue announced by the Company within the 12 months period immediately preceding the Latest Practicable Date. The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. 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 AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. So Alan Wai Shing, Mr. Lee Kwong Ming and Mr. Chan Kin Sun, has been established to advise the Independent Shareholders in respect of the Rights Issue, the Placing Agreement, and the transaction contemplated thereunder, on whether the terms 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, after taking into account the recommendations of the Independent Financial Adviser.

We, First Global Corporate Finance Co., Limited ("**First Global**"), have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. First Global is a licensed corporation licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activity. Ms. Wendy Liu ("**Ms. Liu**") is the person signing off the opinion letter from First Global contained in the Circular. Ms. Liu has been a responsible officer of Type 6 (advising on corporate finance) regulated activity under the SFO since 2014. Ms. Liu has participated in and completed various independent financial advisory transactions in Hong Kong.

OUR INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, save for this engagement of us as the Independent Financial Adviser, no other relationship has been formed and no direct engagement has been performed between the Group, the other party(ies) to the Rights Issue, or a close associate or core connected person of any of them and us. As at the Latest Practicable Date, we did not have any relationship with, or interest in, the Group, the other party(ies) to the Rights Issue, or a close associate or core connected person of any of them and us, or other parties that could reasonably be regarded as relevant to our independence. Apart from the normal advisory fee payable to us in connection with our engagement as the Independent Financial Adviser, no arrangement exists whereby we shall receive any other fees or benefits from the Company and its subsidiaries or their respective substantial shareholders or any party acting in concert, or presumed to be acting in concert,

with any of them. Accordingly, we considered that we are independent to act as the Independent Financial Adviser in respect of the Rights Issue pursuant to Rule 17.96 of the GEM Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on the information and facts supplied, opinions expressed, statements and representations made to us by the management of the Group (including but not limited to those contained or referred to in the Circular). We have reviewed the documents including but not limited to: (i) the Circular and the Letter from the Board contained therein; (ii) the Placing Agreement; (iii) the annual report of the Company for the eighteen months ended 30 June 2025 and the twelve months ended 31 December 2023 (the "**2024/25 Annual Report**"); and (iv) the relevant supporting documents in respect of the Rights Issue provided by the Company, including but not limited to historical documents and records, to formulate our opinion and recommendation. We have assumed that the information and facts supplied, opinions expressed, statements and representations made to us by the management of the Group were true, accurate and complete at the time they were made and continue to be true, accurate and complete in all material aspects until the date of the EGM. The Shareholders will be informed should there be any material change of information in the Circular up to the date of the EGM. We have also assumed that all statements of belief, opinions, expectation and intention made by the management of the Group in the Circular were reasonably made after due enquiry and careful consideration. Where applicable, we have also conducted independent desktop search and confirmed that there was no material difference between our search result and the information and facts supplied, opinions expressed, statements and representations made to us by the management of the Group. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its management and/or advisers, which have been provided to us.

The Directors have collectively and individually accepted full responsibility of the Circular and have confirmed, having made all reasonable enquiries, that to the best of their knowledge and belief the information contained in the 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 the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We considered that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs or future prospects of the Group, or their respective shareholders, subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Rights Issue. Our opinion is necessarily based on the market, financial, economic and other conditions

in effect and the information made available to us as at the Latest Practicable Date. Nothing contained in this letter of advice should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion in respect of the Rights Issue, we have considered the following principal factors and reasons:

I. Background of the Group

(i) Background information of the Group

The Group is principally engaged in (i) the sale of home furniture and accessories; (ii) rental of home furniture and accessories; and (iii) project and hospitality services, which typically involve designing, styling, decorating and furnishing commercial or residential properties such as hotels, serviced apartments and showflats.

(ii) Historical financial performance and position of the Group

The following table sets out key consolidated financial information of the Group for the eighteen months ended 30 June 2025 (the "**18M2025**"), and twelve months ended 31 December 2023 (the "**FY2023**") as extracted from the 2024/25 Annual Report:

	For the 18M2025 (audited) *HK$'000*	**For the FY2023** (audited) *HK$'000*
Revenue	383,477	250,566
Gross Profit	159,432	127,098
Net Loss	(5,242)	(35,912)

Discussion on the Group's financial performance for the FY2025 as compared with that for the FY2023

Based on the 2024/25 Annual Report, the Group generated revenue of approximately HK$383.5 million for 18M2025 as compared with that of HK$250.6 million for FY2023, representing an increase of approximately 53.0% (or approximately 2.0% increase on a pro-rata basis). The increase was mainly attributable to the revenue from furniture sales, projects and furniture rental. The Group's gross profit increased to approximately HK$159.4 million for 18M2025 from approximately HK$127.1 million for FY2023, representing an increase of approximately 25.4% (or a decrease of approximately 16.4% on a pro-rata basis). The Group's gross profit margin decreased from approximately 50.7% for FY2023 to approximately 41.6% for 18M2025, which was mainly due to (i) the increase in revenue from projects which the Group charged a lower gross profit margin to a large-scale and renowned property developer in Hong Kong; (ii) offering discounts

on the retail sales; and (iii) the increase in the cost of sales. The Group's recorded net loss attributable to owners of the Company amounted to approximately HK$5.6 million for 18M2025 as compared to loss of approximately HK$33.5 million in FY2023 as a result of (i) the increase in gross profit; (ii) the increase in fair value gain on an investment in an unlisted equity securities of a group company; and (iii) the decrease in provision for allowance of expected credit losses and impairment losses on non-financial assets in 18M2025.

Set out below is a summary of the consolidated statement of financial position of the Group as at 30 June 2025 and 31 December 2023 as extracted from the 2024/25 Annual Report.

	As at 30 June 2025 (audited) *HK$'000*	**As at 31 December 2023** (audited) *HK$'000*
Total Assets	135,665	179,911
Total Liabilities	75,229	141,270
Net Assets	60,436	38,641

Discussion on the Group's financial position as at 30 June 2025 as compared with that as at 31 December 2023

The total assets of the Group were approximately HK$135.7 million and HK$179.9 million as at 30 June 2025 and 31 December 2023, respectively, representing an approximately 24.6% decrease, which is mainly attributable to the decrease in trade and other receivables and inventories. The total liabilities of the Group were approximately HK$75.2 million and HK$141.3 million as at 30 June 2025 and 31 December 2023, respectively, representing an approximately 46.8% decrease, which is mainly attributable to the decrease in contract liabilities. The consolidated net assets increasing significantly by approximately 56.4%, from approximately HK$38.6 million as at 31 December 2023 to approximately HK$60.4 million as at 30 June 2025.

II. Reasons for the Rights Issue and use of proceeds

The Company intends to use the net proceeds from the Rights Issue as follows: (i) approximately 34% or HK$9.5 million for repayment of both principal and interest of borrowing in relation to an unsecured bond payable with principal amount of RMB10 million (equivalent to approximately HK$10,630,000 based on the Fixed Exchange Rate), of which approximately RMB1.4 million has been repaid (equivalent to approximately HK$1.5 million based on the Fixed Exchange Rate), subscribed from an Independent Third Party and maturing on 27 March 2026 (the "**Bond Payable**"), which is expected to be refinanced or extended prior to the completion of the Rights Issue, and the net proceeds will be applied to repay such refinanced or extended borrowing thereafter. Based on the Company's current funding planning

and subject to the outcome of discussions with the relevant lender(s) and prevailing market conditions, the Company intends to address its short-term funding needs upon maturity of the bond payable by seeking a short-term extension of the existing bond payable, or by refinancing the bond payable with other short term borrowings. The Company also intends to repay the refinanced or extended borrowing after receipt of the proceeds from the Rights Issue; (ii) approximately 18% or HK$5.0 million for payment of rental expenses including accrued rental expenses; (iii) approximately 18% or HK$5.0 million for Dubai project, which is a project to provide furniture for an international airline company's staff accommodation for at least 3 years; (iv) approximately 7% or HK$2.0 million for opening a new retail store in Hong Kong; and (v) remaining approximately 23% or HK$6.6 million for general working capital of the Group for payments of salary, suppliers and other operating and administrative expenses.

Repayment of borrowing

Based on the Company's current funding planning and subject to the outcome of discussions with the relevant lender(s) and prevailing market conditions, the Company intends to address its short-term funding needs upon maturity of the Bond Payable by seeking a short-term extension of the Bond Payable, or by refinancing the Bond Payable with other short-term borrowings. The Company also intends to repay the refinanced or extended borrowing after receipt of the proceeds from the Rights Issue. As at the Latest Practicable Date, the Company is in discussion with the lender regarding a proposed extension of the Bond Payable and the lender has indicated it will consider offering extension if the Rights Issue are conducted as scheduled. The Company is also in discussion with financial institutions in Hong Kong for possible other debt financing or borrowings to refinance the Bond Payable. No financing arrangement has been signed with any banks to refinance the Bond Payable as at the Latest Practicable Date.

Approximately RMB1.4 million (equivalent to approximately HK$1.5 million based on the Fixed Exchange Rate) of the RMB10 million Bond Payable has been repaid and the current outstanding principal amount of the Bond Payable is approximately RMB8.6 million. The amount of interest arising from the Bond Payable is approximately RMB86,000 (equivalent to approximately HK$91,000 based on the Fixed Exchange Rate) which is payable on maturity, and the total principal and accrued interest payable on maturity date of 27 March 2026 is approximately RMB8.7 million (equivalent to approximately HK$9.2 million based on the Fixed Exchange Rate). The repayment of the Bond Payable includes the outstanding interest. The Company expects the allocated proceeds of approximately HK$9.5 million is sufficient to repay the Bond Payable including the potential interest arising from possible extension. In the event that the allocated proceeds is insufficient for repayment of the principal and interest of Bond Payable, the Company expects to utilise cash and cash equivalents and the cash flows generated from operating activities to finance the remaining portion of the Bond Payable.

The interest expense arising from the Bond Payable is approximately RMB86,000 (equivalent to approximately HK$91,000 based on the Fixed Exchange Rate) per year. In the event the Group repays the Bond Payable, such interest expenses will be reduced.

Dubai project

The Group has been engaged by an international airline company to supply and install furniture for the airline's staff accommodation located in Dubai for at least 3 years. The service to be provided by the Group includes supplying and installing furniture according to the work order and ensuring the design, workmanship and materials used are new and of high-quality, and conform with the quality and description specified in the work order.

Expected timeline of the proposed use of net proceeds and other potential ways to finance the capital requirement

Sets out below are the timeline for each of the proposed use of net proceeds, and other potential ways to finance the capital requirement in the event that the Rights Issue is not approved by the Independent Shareholders and the Group does not generate enough operating cash flows to fulfill the relevant obligations:

Use of Proceeds	Amount (approximately)	Expected timeline of the proposed use of net proceeds	Other potential ways to finance the capital requirement
Repayment of both principal and interest of borrowing	HK$9.5 million	By the first half of 2026	Discuss with the lender to extend the Bond Payable or obtain new borrowing from banks in Hong Kong to refinance the Bond Payable
Payment of rental expenses	HK$5.0 million	By the end of 2026	Obtain new borrowings from banks in Hong Kong or Dubai, or conduct other fund raising activities (including but not limited to placing or subscription of new shares under specific mandate or general mandate after refreshment of general mandate (as the case may be)

Use of Proceeds	Amount (approximately)	Expected timeline of the proposed use of net proceeds	Other potential ways to finance the capital requirement
Dubai project	HK$5.0 million	By the end of 2026	Obtain new borrowings from banks in Hong Kong or Dubai, or discuss with the airline the possibility of delaying the commencement of the project, or conduct other fund raising activities (including but not limited to placing or subscription of new shares under specific mandate or general mandate after refreshment of general mandate (as the case may be)
Opening a new retail store in Hong Kong	HK$2.0 million	By the end of 2026	Obtain new borrowings from banks in Hong Kong or Dubai, or reallocate the rental expense budgeted for other retail store should the Group decided not to renew certain existing leases upon expiry following reassessment of its retail store portfolio, or conduct other fund raising activities (including but not limited to placing or subscription of new shares under specific mandate or general mandate after refreshment of general mandate (as the case may be)

Use of Proceeds	Amount (approximately)	Expected timeline of the proposed use of net proceeds	Other potential ways to finance the capital requirement
General working capital	HK$6.6 million	By the end of 2026	Obtain new borrowings from banks in Hong Kong or Dubai, or conduct other fund raising activities (including but not limited to placing or subscription of new shares under specific mandate or general mandate after refreshment of general mandate (as the case may be)

As at 31 December 2025, the Group has approximately HK$3.6 million cash and cash equivalents based on the unaudited management account. The Group intends to use the existing cash and cash equivalent to continue its ordinary business operations and meeting the short-term obligations as they fall due, including the procurement of goods and services in connection with the sale of furniture and designing projects, the settlement of trade and other payables, and the servicing of interest obligations on the Group's interest-bearing bank and other borrowings.

As disclosed in the 2024/25 Annual Report, despite challenging operating conditions, the Group recorded revenue of approximately HK$383.5 million for 18M2025, representing an increase of approximately 53.0% from approximately HK$250.6 million for FY2023 (or approximately 2.0% increase on a pro-rata basis).

The Group recorded gross profit of approximately HK$159.4 million in 18M2025 as compared to approximately HK$127.1 million in FY2023, representing an increase of approximately 25.4% (or a decrease of approximately 16.4% on a pro-rata basis). Gross profit margin declined due to a higher contribution from lower-margin business including large projects with developers to provide furniture to first-hand residential properties, increased retail discounts and higher cost of sales.

The Group's loss attributable to owners of the Company narrowed substantially to approximately HK$5.6 million for the 18M2025 from approximately HK$33.5 million for the FY2023, representing a decrease of approximately 83.3% (or a decrease of approximately 88.9% on a pro-rata basis). On a twelve months pro-rata basis by dividing the 18M2025 figures by 18 months and then multiplying it by 12 months ("**Pro-rata 18M2025**"), the Group's loss attributable to owners of approximately HK$5.6 million for 18M2025 is equivalent to approximately HK$3.7 million on a pro-rata basis, representing a decrease of approximately HK$29.8 million as compared FY2023. Such approximately HK$29.8 million decrease is primarily as a result of (i) the Group's effort in controlling its administrative and other operating expenses from approximately HK$93.1 million in FY2023 to approximately HK$70.0 million for the Pro-rata 18M2025, representing a cost saving of approximately HK$23.1

million; (ii) the decrease in provision for allowance of expected credit losses and impairment losses on non-financial assets from approximately HK$18.8 million in FY2023 to approximately HK$3.4 million for the Pro-rata 18M2025, representing a reduction of loss of approximately HK$15.4 million; (iii) the increase in fair value gain on an investment in an unlisted equity securities from a loss of approximately HK$2.9 million in FY2023 to a gain of approximately HK$8.4 million for the Pro-rata 18M2025, representing an increase of other income of approximately HK$11.3 million; being partially offset by (iv) the decrease in gross profit from approximately HK$127.1 million in FY2023 to approximately HK$106.3 million for the Pro-rata 18M2025, representing a decrease of gross profit of approximately HK$20.8 million.

For the eighteen months ended 30 June 2025, Hong Kong's second-hand property market remained subdued, impacted by demographic shifts and a prolonged economic downturn. In response to the weakened market sentiment in Hong Kong, coupled with intense competition in Dubai, the Board has strategically prioritized a focus on project-based business operations.

Looking ahead, the Group plans to continue to manage cash flows and operating costs prudently and optimize its retail footprint including reassessing retail store leases and locations. Following Hong Kong government's removal of residential property demand-side management measures for residential properties including special stamp duty, buyer's stamp duty or new residential stamp duty with effect from 28 February 2024 and increased housing supply initiative, the Group anticipates rising demand for property renovation and furnishing services.

The reassessment to the retail store leases and locations is intended to evaluate the benefits and costs that each retail store brings to the Group. While the Group may consider not renewing certain leases upon expiry, the Group will also adopt a cautious approach in evaluating new store locations, including the new retail store in Hong Kong for which part of the net proceeds will be used. In relation to the reassessment to the retail store leases and locations, the Group will focus on, amongst others, customer traffic, store layout, rental expense, ongoing maintenance spend when assessing the retail store portfolio. In relation to the new retail store in Hong Kong, the Group will monitor the capital expenditure on the new retail store and compare it against the expected future economic benefits to be generated by the new retail store in determining the new retail store plan and location.

The Company considers the Rights Issue and the use of the net proceeds from the Rights Issue will enable the Group to support its planned business initiatives, including (i) enhancing cash flow and improving profitability by reducing interest expenses through repayment of bank and other borrowings; (ii) meeting rental payments and settling accrued rental expenses from ongoing operations while implementing retail network optimization measures; (iii) deploying capital to support the development of the project business in Dubai; (iv) allocating capital to the Group's Hong Kong retail operations to capture potential recovery in local demand; and (v) providing general working capital to support the Group's operations.

As the Rights Issue will proceed on a non-underwritten basis, the actual amount of the net proceeds from the Rights Issue cannot be ascertained as at the Latest Practicable Date. In the event that there is an under-subscription of the Rights Issue and the Placing (as the case may be), the net proceeds of the Rights Issue and the Placing (as the case may be) will be allocated and utilized in proportion to the above uses.

In view of the above, the Directors are of the view and we concur that the Rights Issue, as compared to fundraising by other means, provides better financial flexibility for the Company as it will strengthen the capital base of the Company, thus enhancing the overall working capital to fulfill the development plan of the Group without further increase the interest burden to the Group. The Rights Issue also offers all Qualifying Shareholders the opportunity to maintain their pro rata shareholding interests in the Company and avoid shareholding dilution for those Shareholders who take up their entitlement under the Rights Issue in full.

We have discussed with the Directors to understand the proposed use of proceeds. We have also obtained and reviewed the breakdown regarding the proposed use of proceeds from the Rights Issue and the underlying supporting documents such as (i) the bond certificate regarding the Bond Payable with principal amount of RMB10 million; (ii) project plan and timeline for the Dubai project; and (iii) new retail store opening budget table. The Group has outlined an allocation plan, with approximately 34% of the net proceeds for repayment of borrowing in relation to an unsecured bond payable with principal amount of RMB10 million subscribed from an Independent Third Party and maturing on 27 March 2026; 18% for payment of rental expenses including accrued rental expenses; 18% for Dubai project, which is a project to provide furniture for Emirates staff accommodation for at least 3 years; 7% for opening a new retail store in Hong Kong; and remaining 23% for general working capital of the Group for payments of salary, suppliers and other operating and administrative expenses.

Based on our review of the breakdown of use of proceeds and the relevant underlying supporting documents provided by the management of the Group, we noted that the net proceeds from the Rights Issue would be applied as for strengthening the Group's financial position, supporting key business projects, and covering operational needs. We consider that the repayment of borrowing can reduce the gearing of the Group to certain extent and hence improve the Company's financial position for potential negotiation of financing arrangement on more favourable terms with financial institutions; and enables the Group to fulfill its repayment obligations, which is in the interests of the Company and its Shareholders. As advised by the Company, the Group's bank balance and cash had decreased to approximately HK$3.6 million as at 31 December 2025. This level of liquidity is critically low, particularly in light of the Group's outstanding borrowings and rental obligations, of which appropriately HK$3.3 million is already overdue and approximately HK$11.2 million will become overdue in the near term. We are of the view that there is an imminent need of capital for settlement and repayment of these payables and borrowings and it is reasonable for the Company to first allocate approximately HK$14.5 million of the net proceeds from the Rights Issue towards the settlement of the aforesaid borrowings and the rental obligations. The Group is principally engaged in (i) the sale of home furniture and accessories; (ii) rental of home furniture and accessories; and (iii) project and hospitality services, which typically involve designing, styling, decorating and furnishing commercial or residential properties such as hotels, serviced apartments and showflats. Therefore, we are of the view that the proposed allocation of the use

of proceeds to the Dubai project and the opening of new store in Hong Kong to pursue new business opportunities is in line with the overall business development of the Group and commercially justifiable. We have reviewed the project plan and timeline of the Dubai project and the budget table of opening of new stores to understand the amount of capital commitment required and understand that the cost is estimated by the Company based on management experience with reference to previous projects. The proposed allocation reflects the Group's strategic focus on fulfilling its existing contractual obligations and pursuing new business opportunities in Hong Kong's and Dubai's home furniture and accessories sector. The investments in ongoing and potential projects, as well as the settlement of liabilities and replenishment of working capital, demonstrate a disciplined and forward-looking approach to capital utilization. Given the specificity and clarity of the plans, we are of the view that the proposed use of proceeds from the Rights Issue as fair and reasonable and necessary to support the Group's operational and financial needs.

We have conducted desktop research on the real estate market in Hong Kong and reviewed the latest updates from JLL's Hong Kong Property Market Outlook (10 December 2025). JLL, a global leader in real estate services, provides key insights into market trends, rental and capital value forecasts, and sector-specific developments.

According to JLL, Hong Kong's property market is showing signs of recovery after a six-year correction, with the Grade A office and mass residential sectors leading the rebound. Central and Tsim Sha Tsui are experiencing stronger-than-expected demand from financial institutions, driving a 0.5% rental growth in Central's Grade A office market in the second half of 2025. Meanwhile, the housing market is supported by mainland buyers, with mass residential prices forecast to rise by 5% in 2026. This recovery in the residential market, coupled with increased transactions and demand for new and young housing estates, is expected to drive growth in the home furniture and accessories sector. The rising demand for premium furnishings and home décor aligns with the upward momentum in residential sales, creating significant opportunities for businesses catering to home interiors. Therefore, we are of the view that the Rights Issue will strengthen the Group's financial position, enabling it to capitalize on the recovery in Hong Kong's residential property market.

In evaluating the Group's financial position, we have reviewed the 2024/25 Annual Report for the recent financial position of the Group as at 30 June 2025. Specifically, we noted: (i) the Group's bank balance and cash amounted to approximately HK$4.9 million; (ii) interest-bearing bank and other borrowings totaled approximately HK$18.6 million; and (iii) current lease liabilities stood at approximately HK$4.8 million. As further advised by the Company, the Group's bank balance and cash had decreased to approximately HK$3.6 million as at 31 December 2025. This level of liquidity is critically low, particularly in light of the Group's outstanding borrowings and rental obligations, some of which are already overdue or will become overdue in the near term. Therefore, we concur with the Company that there is the imminent need of capital for settlement and repayment of these payables and borrowings and it is reasonable for the Company to first allocate approximately HK$14.5 million of the net proceeds from the Rights Issue towards the settlement of the aforesaid borrowings and the rental obligations.

Fundraising alternatives

The Company has considered various fundraising alternatives before resolving to the Rights Issue, including debt financing and equity financing alternatives such as open offer and placing of new shares.

As per our discussion with the Directors, we noted that while debt financing or bank loans would result in additional interest burden to and higher gearing ratio of the Group, in particular, the gearing ratio would be approximately 77.2% (calculated by dividing interest-bearing bank and other borrowings by total equity) as at 30 June 2025 if the Company's capital requirements as mentioned in the paragraph under the heading "Reasons for the Rights Issue and use of proceeds" above is all financed by debt financing/ bank loans instead of rights issue. Placing of new Shares would only be available to certain placees which may not necessarily include existing Shareholders and would dilute the shareholding in the Company of those existing Shareholders who does not participate in such placement of Shares. As for open offer, although it is similar to a rights issue in offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market.

Having consider that (i) debt financing or bank loans would result in additional interest burden to and higher gearing ratio of the Group; (ii) placing of new Shares would only be available to certain placees and would dilute the shareholding of the existing Shareholders who do not participate in such placing exercise and we noted that the Company had already fully utilized its general mandate in December 2025, meaning that a refreshed general mandate requiring shareholder approval is necessary and the whole process could take up to three months to complete. In addition, the Directors considered that if the Company pursues equity financing through placing or subscription of new shares, additional time would be required to identify interested and suitable investors and the timing can be uncertain; (iii) as for open offer, although it is similar to a rights issue in offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market; and (iv) the Rights Issue will allow Qualifying Shareholders to participate in the future development of the Company and at the same time offer flexibility to the Qualifying Shareholders to choose whether to maintain their respective pro-rata shareholding interests in the Company or trade the relevant nil-paid Rights Shares in the market thus reducing impact from dilution of their shareholdings, we concur with the Board's view that fundraising by way of the Rights Issue which will offer Qualifying Shareholders the opportunity to maintain their respective pro rata shareholding interests in the Company is appropriate and is fair and beneficial to the Company and its shareholders as a whole. The Board is also of the view and we concur that conducting the Rights Issue is the most preferred option at this stage when comparing to other equity fundraising method such as placing and/ or subscription of shares under general mandate for the reasons as mentioned in point (ii) above.

III. Principal terms of the Rights Issue and the Placing Agreement

The Rights Issue

Set out below are the principal terms of the Rights Issue as extracted from the Letter from the Board:

Basis of the Rights Issue:	One (1) Rights Share for every two (2) Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price:	HK$0.10 per Rights Share
Net price per Rights Share (i.e. Subscription Price less estimated cost and expenses incurred in the Rights Issue):	Approximately HK$0.095 per Rights Share
Number of Shares in issue as at the Latest Practicable Date:	591,159,500 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue	up to 295,579,750 Rights Shares (assuming there is no change to the total issued Shares of the Company on or before the Record Date)
Aggregate nominal value of the Rights Shares	up to HK$29,557,975 (assuming there is no change to the total issued Shares of the Company on or before the Record Date)
Total number of Shares in issue upon completion of the Rights Issue:	up to 886,739,250 Shares (assuming there is no change to the total issued Shares of the Company on or before the Record Date)
Number of Rights Shares being undertaken by Century Great	19,052,750 Rights Shares undertaken by Century Great
Gross proceeds from the Rights Issue:	up to approximately HK$29.6 million before expenses (assuming there is no change to the total issued Shares of the Company on or before the Record Date)

As at the Latest Practicable Date, apart from the 9,450,000 share options granted to the Directors and certain employees of the Group to subscribe for an aggregate of 9,450,000 Shares under the Share Option Scheme which are exercisable during 13 June 2026 to 12 June 2027, the Company has no other outstanding derivatives, warrants, options or convertible securities in issue or other similar rights which confer any right to convert into or subscribe for Shares. The Company has no intention to issue any new Shares or issue or grant any options, warrants or other convertible securities which confer any right to convert into or subscribe for Shares on or before the Record Date.

Since the exercise period of the Share Options are later than the Record Date as set out in the expected timetable, no share option will be exercised before the Record Date and the Share Options will not change the total issued Shares of the Company on or before the Record Date.

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

The Placing Agreement

Set out below are the principal terms of the Placing Agreement as extracted from the Letter from the Board:

Placing Agent:	Constance Capital Limited The Placing Agent is a licensed corporation to carry out business in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 regulated activities (asset management) under the SFO.
Placing commission:	Subject to completion of the Placing taking place, the Company shall also pay a placing commission in Hong Kong dollars, of 2.0% of the amount (the "**Placing Commission**") which is equal to the placing price multiplied by the number of the Unsubscribed Shares (including NQS Unsold Rights Shares) that have been successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement.
Placing Price:	Not less than HK$0.10 per Unsubscribed Share (including NQS Unsold Rights Shares).
Placing Period:	A period commencing from the first (1st) Business Day immediately after the date of announcement of the number of the Unsubscribed Shares (including NQS Unsold Rights Shares) (i.e. Friday, 17 April 2026 under the current timetable) and ending on 4:00 p.m. on the fifth (5th) business after the date of announcement of the number of the Unsubscribed Shares (including NQS Unsold Rights Shares) (both days inclusive).

Placees:

The Unsubscribed Shares (including NQS Unsold Rights Shares) be placed to investors who (or as the case may be, their ultimate beneficial owner(s)) are Independent Third Parties. The Placing Agent shall also ensure that the public float requirement under the GEM Listing Rules remains to be fulfilled by the Company upon completion of the Rights Issue.

Ranking of the placed Unsubscribed Shares (including NQS Unsold Rights Shares):

The placed Unsubscribed Shares (including NQS Unsold Rights Shares) (when allotted, issued and fully-paid, if any) shall rank pari passu in all respects among themselves and with the existing 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 Rights Issue having become unconditional;

(ii) the Company's warranties contained in the Placing Agreement remaining true and accurate and not misleading in all material respects at all times prior to the date of completion of the Placing;

(iii) the GEM Listing Committee granting the listing of, and permission to deal in, the Unsubscribed Shares (including NQS Unsold Rights Shares) with or without conditions;

(iv) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and

(v) the Placing Agreement not having been terminated in accordance with the provisions thereof. None of the above conditions can be waived.

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

Termination: Notwithstanding anything contained in the Placing Agreement, the Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to the Latest Time for Termination upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Unsubscribed Shares (including NQS 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:

(i) 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, industry, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would affect the success of the Placing; or

(ii) 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 absolution opinion, would affect the success of the Placing; or

(iii) 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 absolute 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

(iv) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control), which has or may affect the business or financial position of the Group and which in the Placing Agent's absolute opinion would affect the success of the Placing; or

(v) any breach of any of the representations and warranties given by the Company as set out in the Placing Agreement having come to the knowledge of the Placing Agent or any event having occurred or any matter having arisen on or after the date of the Placing Agreement and prior to the completion of the Rights Issue which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in a material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or

(vi) the Unsubscribed Shares (including NQS Unsold Rights Shares) are not approved by the relevant regulatory bodies and/or regulatory authorities to be placed to any placees as contemplated in the Placing Agreement.

The above termination event (i) represents a force majeure clause.

Further details of the terms and conditions of the Placing Agreement are outlined in the Letter from the Board. As disclosed in the Letter from the Board, the terms of the Placing Agreement were determined after arm's length negotiation between the Placing Agent and the Company with reference to (i) the prevailing market rate for rights issues, including the underwriting or placing commissions of recent proposed rights issues announced by companies listed on GEM of the Stock Exchange with relevant listing documents issued within 6 months prior to Last Trading Day (as further elaborated in next paragraph) which are ranged from 0.5% to 7.07% and with a median and average of 2.5% and approximately 2.8% respectively; (ii) the existing financial position of the Group including gearing ratio of 30.7% as at 30 June 2025 and the continued losses attributable to owners of the Company for the past five years; (iii) the size of the Rights Issue when aggregated with the rights issue conducted within the past twelves months before the date of the Announcement, which potentially enlarging the total number of issued Shares by 50%; (iv) the placing price of HK$0.10 per Share which is at a premium to the latest trading price per Share before signing of the Placing Agreement; and (v) the general downward trend of the daily closing price of the Shares of the Company during the past 3 months, as noted by the decrease of closing price of the Shares from HK$0.255 per Share on 27 October 2025 to HK$0.08 on the date of the Announcement. The Directors consider that the terms of the Placing Agreement are fair and reasonable and on normal commercial terms.

The Company has conducted a search of recent proposed rights issues announced by companies listed on GEM of the Stock Exchange with relevant listing documents issued within the 6 months prior to the Last Trading Day. The Company has identified an exhaustive list of a total of seven (7) rights issues comparables ("**Rights Issues Comparables**") during the respective period. The Board considered that notwithstanding that the businesses, operations, prospects and funding needs of the Company are not the same as the subject companies of the Rights Issues Comparables, the Rights Issues Comparables illustrate recent rights issues transactions conducted by companies listed on the GEM of the Stock Exchange during a period close to and including the Last Trading Day.

Details of the seven (7) Rights Issues Comparables are set out below:

Stock Code	Listing document date	Company Name	Placing/ underwriting commission, as the case may be *(%)*
8178	11 September 2025	China Information Technology Development Limited	7.07
8282	24 October 2025	Gameone Holdings Limited	0.50
8341	21 November 2025	Aeso Holding Limited	2.50
8516	15 December 2025	Zhong Ying International Group Ltd	3.00
8431	2 January 2026	Hao Bai International (Cayman) Ltd	1.50
8283	5 January 2026	Zhongshi Minan Holdings Limited	2.50
8612	21 January 2026	World Super Holdings Ltd	2.50
Min			0.50
Max			7.07
Median			2.50
Average			2.80

Our Assessment on the principal terms of the Rights Issue and the Placing Agreement

As disclosed in the Letter from the Board, the Subscription Price of HK$0.10 per Rights Share represents:

(i) a premium of approximately 31.58% to the closing price of HK$0.0760 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a premium of approximately 25.00% to the closing price of HK$0.0800 per Share as quoted on the Stock Exchange as at the date of the Announcement;

(iii) a premium of approximately 26.58% to the closing price of HK$0.0790 per Share as quoted on the Stock Exchange on the Last Trading Day;

(iv) a premium of approximately 31.23% to the average closing price per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day of approximately HK$0.0762;

(v) a premium of approximately 30.55% to the average closing price per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day of approximately HK$0.0766;

(vi) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of a discount of approximately 4.60% after taking into account the rights issue announced by the Company within the 12 months period immediately preceding the date of the Announcement;

(vii) a premium of approximately 16.28% to the theoretical ex-rights price of approximately HK$0.0860 per Share based on the closing price of HK$0.0790 per Share as quoted on the Stock Exchange on the Last Trading Day; and

(viii) a premium of approximately 4.09% to the consolidated net asset value per Share attributable to the Shareholders as at 30 June 2025 of approximately HK$0.0961 calculated based on the audited consolidated net assets of the Group attributable to the Shareholders of approximately HK$56,794,000 as set out in the annual report of the Company for the eighteen months ended 30 June 2025 and 591,159,500 Shares in issue as at the Latest Practicable Date.

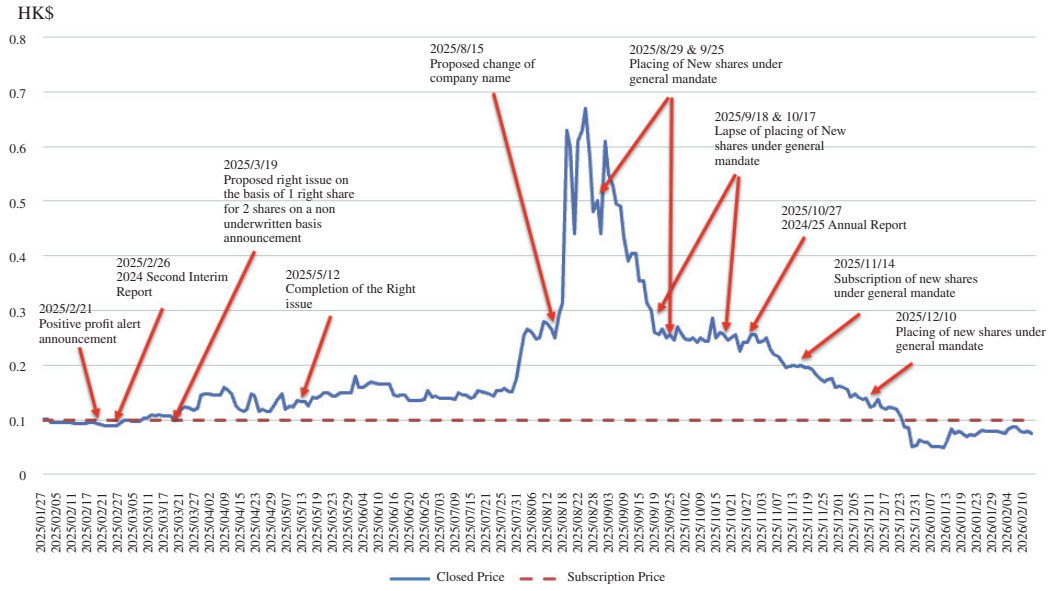
The Rights Issue will not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

The Subscription Price was determined taking into consideration (i) the lowest Subscription Price is HK$0.10 per Share given the par value of the Shares is HK$0.10 per Share; (ii) the general downward trend of the daily closing price of the Shares during the past 3 months immediately before the date of the Announcement which is a decrease of approximately 68.6% from a closing price of HK$0.255 per Share on 27 October 2025 (being the date three months prior to the date of the Announcement) to HK$0.08 per Share on 27 January 2026 (being the date of the Announcement), as compared to the general increase of Hang Seng Index during the same period of approximately 2.6% from 26,433.7 on 27 October 2025 to 27,126.95 on 27 January 2026; (iii) the loss making position of the Group in the latest annual report of the Company and the prior three years (being the three years ended 31 December 2021, 2022 and 2023); (iv) the low trading volume of the Shares with approximately 9.9 million average daily trading volume of the Shares over the past year immediately before the Announcement, representing approximately 1.7% of the total number of issued Shares as at the Last Trading Day; and (v) the amount of funds the Company intends to raise under the Rights Issue for the purposes described in the section headed "Reasons for and benefits of the Rights Issue and use of proceeds" in this Circular.

The Directors consider that, the terms of the Rights Issue, including the Subscription Price, are on commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The net price per Rights Share (i.e. Subscription Price less the estimated cost and expenses to be incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of the Rights Shares will be approximately HK$0.095 per Rights Share.

Share price performance

In order to assess the fairness and reasonableness of the Subscription Price, we have performed a review on the daily closing prices and trading volume of the Shares from 27 January 2025 to the Latest Practicable Date (the "**Review Period**") (being a period of approximately 12 months prior to and including the Latest Practicable Date) and compared with the Subscription Price:



Source: website of the Stock Exchange

As shown in the chart above, during the Review Period, the average closing price was approximately HK$0.18 per Share (the "**Average Closing Price**"). The daily closing price ranged from HK$0.048 per Share (the "**Lowest Closing Price**") recorded on 9 January 2026 to HK$0.67 per Share (the "**Highest Closing Price**") recorded on 25 August 2025. We note that Shares were traded above the Subscription Price throughout most of the Review Period, with 200 out of 258 trading days which the Shares were traded above the Subscription Price during the Review Period. The Subscription Price of HK$0.10 represents (i) a premium of approximately 108.33% to the Lowest Closing Price; (ii) a discount of approximately 85.07% to the Highest Closing Price; and (iii) a discount of approximately 44.18% to the Average Closing Price. There were noticeable fluctuations in the closing price of the Shares during the Review Period, with significant peaks and troughs observed. We noted that the Subscription Price represented a substantial discount to the Average Closing Price and the Highest Closing Price and we observed from the below table under the paragraph headed "Comparable analysis" that most of the Comparables priced their rights issues at a discount to the prevailing market price of the relevant shares prior to the announcement of such rights issues. Therefore, we are of the view that setting the subscription price of a rights issue at discount to the prevailing market price is a market norm and that the Subscription Price is fair and reasonable.

The closing price of the Shares initially remained stable at HK$0.10 from 27 January 2025 to 3 February 2025 before declining slightly to HK$0.094 on 11 February 2025. The price then fluctuated moderately, reaching HK$0.10 on 28 February 2025. A gradual uptrend was observed in March 2025, with the closing price peaking at HK$0.147 on 31 March 2025. This was followed by a period of fluctuation, with the price stabilizing between HK$0.12 and HK$0.14 from April to May 2025. A significant upward trend began in late July 2025, with the closing price reaching its highest level of HK$0.67 on 25 August 2025. After this peak, the price experienced a sharp decline, dipping to HK$0.40 in September 2025, before fluctuating between HK$0.40 and HK$0.50 through October 2025. By December 2025, the closing price had declined further, stabilizing at approximately HK$0.06.

In January 2026, the closing price exhibited considerable volatility. It opened at HK$0.059 on 2 January 2026 and reached its lowest price of HK$0.048 on 9 January 2026. A partial recovery followed, with the price rising to HK$0.084 on 13 January 2026, before fluctuating between HK$0.071 and HK$0.082 during the remainder of the month. In the final days of the review period, the price continued to fluctuate slightly and closed at HK$0.076 on 11 February 2026, reflecting ongoing instability in the Share price movement through the end of the Review period.

The reasons for the fluctuations in the share price during this period remain unknown to us as: (i) the Directors are not aware of any specific reasons for such movements; and (ii) we have reviewed the announcements disclosed during this period and were not aware of any material information that could explain the fluctuations in the Share price.

We consider that the fluctuating closing prices and the overall price volatility of the Shares during the Review Period should have reflected market evaluation of the recent financial performance, position, and development of the Group. Given the observed fluctuations and eventual decline in the closing prices towards the end of the Review Period, we note that the Subscription Price is set at HK$0.1, which is equal to the par value of the Shares. Setting the Subscription Price at a level equal to the par value ensures compliance with applicable laws and regulations in the Cayman Islands and aligns with the minimum price permissible for the issuance of new Shares by the Company.

Taking into account (i) the prevailing market prices of the Shares during the Review Period, particularly the more recent closing prices; and (ii) the Subscription Price is set at HK$0.1, which is equal to the par value of the Shares, we are of the view that the determination of the Subscription Price is fair and reasonable.

Trading liquidity of the Shares

For the purpose of independently assessing the trading liquidity of the Shares, the following table shows the daily trading volume of the Shares during the Review Period:

Month/Period	**Number of trading days**	**Average daily trading volume of the Shares during the month/ period**	**Average daily trading volume of the Shares during the month/ period to the total number of issued Shares as at the Last Trading Day** *(Note)*
2025			
January	2	263,687	0.10%
February	20	1,144,345	0.42%
March	21	3,970,484	1.45%
April	19	2,620,000	0.96%
May	20	3,470,700	1.27%
June	21	3,781,429	0.92%
July	22	8,097,909	1.97%
August	21	16,125,500	3.93%
September	22	8,056,136	1.96%
October	20	5,931,300	1.44%
November	20	11,238,100	2.28%
December	21	17,731,000	3.00%
2026			
January	21	37,823,095	6.40%
February (up to and including the Latest Practicable Date)	8	15,731,250	2.66%

Source: website of the Stock Exchange

Note: Based on the number of total issued Shares as at each month end as disclosed in the monthly returns of the Company.

During the Review Period, the average daily trading volume of the Shares by month ranged from approximately 263,687 Shares in January 2025 to approximately 37,823,095 Shares in January 2026, representing approximately 0.1% to approximately 6.40% of the total number of issued Shares as at the end of the respective month/period. Regarding the significantly high trading volume in January 2026, we have discussed with the Directors, and they are not aware of any specific reason for such unusually high trading volume of the Shares during the aforesaid period.

Given such relatively thin liquidity of the Shares for most of the Review Period, it would be difficult for the Shareholders to acquire a substantial block of the Shares in the open market without exerting a significant impact on the Share price. We consider that the prices, liquidity, and general price trend of the Shares during the Review Period should have reflected market evaluation of the Group's recent business performance and financial position.

We consider that it is fair and reasonable for the Company to determine the Subscription Price with reference to (i) the recent market price of the Shares; (ii) the prevailing market conditions; and (iii) the low trading volume of the Shares as illustrated in the above table.

Comparable analysis

In order to further assess the fairness and reasonableness of the terms of the Rights Issue, we have identified an exhaustive list of 32 rights issue transactions announced by other companies listed on the Stock Exchange (the "**Comparables**") with relevant listing documents issued within the six months immediately prior to the Last Trading Day (the "**Comparable Review Period**") and up to the Latest Practicable Date, without taken into consideration the market capitalisation, fundraising size and the type of issuance (e.g. excess application or compensatory arrangement) in determining the selection criteria of the Comparables. In line with market practice, we consider it is appropriate to include such assumptions in the below comparable analysis for shareholders' reference. We believe that those rights issue transactions with listing documents issued implies that they have been approved by relevant shareholders or exempt from shareholders' approval and thus the terms and structure of these rights issue transactions are more meaningful for comparison. Shareholders should note that the subject companies in the Comparables may have different principal business activities, market capitalisations, profitability and financial positions as compared to those of the Company. Although the circumstances surrounding the Comparables may be different from those relating to the Company, we consider that the Comparable Review Period is adequate and fair and reasonable to capture the prevailing market conditions in relation to rights issue transactions which the Comparables, for illustrative purpose only, serve as a general reference for prevailing market practices in relation to rights issue transactions conducted by the companies listed in the Stock Exchange.

Announcement date	Listing document date	Company name	Stock code	Basis of entitlement	Premium/ (Discount) of the subscription price over/to the closing share price on the last trading day (%)	Premium/ (Discount) of the subscription price over/to the average closing share price for the five previous consecutive trading days up to and including the last trading day (%)	Premium/ (Discount) of the subscription price over/to the theoretical ex-right share price (%)	Premium/ (Discount) of the subscription price over/to the latest consolidated net asset value per Share (%)	Underwriting/ placing commission, as the case may be (%)	Excess application Yes/No	Fully underwritten Yes/No	Maximum dilution effect (%) (*Note 1*)	Theoretical dilution impact (*Note 2*)
30 July 2025	18 August 2025	Da Yu Financial Holdings Limited	1073	1 for 2	(16.67)	(18.92)	(11.76)	(45.45)	N/A	Y	N	33.33	6.63
4 August 2025	1 September 2025	TOMO Holdings Limited	6928	1 for 2	(62.10)	(63.20)	(52.20)	25.00	1.00	N	N	33.33	21.30
6 August 2025	24 September 2025	Value Convergence Holdings Limited	821	2 for 1	(4.26)	(5.86)	(1.53)	(67.06)	2.50	Y	N	66.67	3.11
13 August 2025	11 September 2025	China Information Technology Development Limited	8178	3 for 8	(55.05)	(55.43)	(47.11)	(63.00)	7.07	Y	Y	27.27	15.12
19 September 2025	14 October 2025	Immunotech Biopharm Ltd	6978	1 for 5	(47.70)	(47.79)	(43.79)	N/A	1.45	Y	N	16.67	8.05
2 October 2025	20 October 2025	China New Economy Fund Limited	80	1 for 2	(29.29)	(27.23)	(21.70)	775.00 (*Note 5*)	N/A	Y	N	33.33	9.70
22 September 2025	24 October 2025	Gameone Holdings Limited	8282	1 for 2	1.69	(0.99)	(1.12)	(13.04)	0.50	Y	N	33.33	0.55
26 September 2025	14 November 2025	Perfectech International Holdings Limited	765	1 for 2	(18.06)	(20.70)	(12.72)	152.14	N/A	Y	N	33.33	6.99
9 October 2025	17 November 2025	CCIAM Future Energy Limited	145	1 for 2	(18.62)	(19.05)	(13.07)	(6.13)	0.34	N	N	33.33	6.63
5 October 2025	20 November 2025	Fire Rock Holdings Limited	1909	1 for 2	(20.20)	(27.85)	(14.59)	193.74	0.07 (*Note 3*)	N	N	33.33	9.13
4 September 2025	21 November 2025	Aeso Holding Limited	8341	2 for 1	(25.70)	(23.10)	(10.35)	(83.00)	2.50	N	N	66.67	17.12
22 October 2025	21 November 2025	Crocodile Garments Limited	122	1 for 2	(22.68)	(22.44)	(16.34)	(92.46)	N/A	Y	N	33.33	7.56
10 September 2025	27 November 2025	China Automotive Interior Decoration Holdings Limited	48	3 for 2	(29.73)	(29.27)	(14.47)	(88.13)	1.50	N	N	60.00	17.84
14 August 2025	2 December 2025	China Energy Development Holdings Limited	228	1 for 2	(19.90)	(19.90)	Not disclosed	(74.22)	N/A	Y	N	33.33	6.63
15 September 2025	3 December 2025	Zhong Jia Guo Xin Holdings Company Limited	899	2 for 1	(33.64)	(35.23)	(14.45)	(97.87)	5.00	N	N	66.67	24.78
4 September 2025	5 December 2025	Many Idea Cloud Holdings Limited	6696	6 for 1	(22.08)	(24.56)	(4.94)	(90.53)	0.20	N	N	85.71	20.63
23 May 2025	15 December 2025	Zhong Ying International Group Ltd	8516	5 for 2	(33.00)	(33.00)	(12.34)	103.82	3.00	N	N	71.43	23.57
15 October 2025	22 December 2025	Winshine Science Co Ltd	209	7 for 1	(23.50)	(24.30)	(4.10)	Not Disclosed (*Note 4*)	2.50	Y	N	87.50	21.10
12 November 2025	29 December 2025	Domaine Power Holdings Ltd	442	1 for 2	(17.44)	(15.88)	(12.35)	65.12	N/A	Y	N	33.33	5.81
15 October 2025	30 December 2025	Synertone Communication Corporation	1613	2 for 1	(35.71)	(35.71)	(15.63)	(43.75)	1.00	N	N	66.67	23.81
24 October 2025	31 December 2025	IRC Ltd	1029	1 for 2	(16.39)	(17.21)	(12.17)	(61.10)	1.25	N	N	33.33	9.76
3 October 2025	31 December 2025	Macau Legend Development Ltd	1680	1 for 2	(45.45)	(44.44)	(36.17)	(88.46)	3.00	Y	Y	33.33	15.79
9 October 2025	2 January 2026	Hao Bai International (Cayman) Ltd	8431	4 for 1	(19.23)	(27.08)	(4.55)	(17.32)	1.50	N	N	80.00	23.24
4 November 2025	5 January 2026	Zhongshi Mitan Holdings Limited	8283	5 for 1	(23.91)	(25.69)	(4.89)	(64.68)	2.50	N	N	83.33	21.67
12 December 2025	9 January 2026	Shun Wo Group Holdings Ltd	1591	1 for 3	(6.70)	(3.40)	Not Disclosed	(54.80)	N/A	Y	N	25.00	1.70

Announcement date	Listing document date	Company name	Stock code	Basis of entitlement	Premium/ (Discount) of the subscription price over/to the closing share price on the last trading day (%)	Premium/ (Discount) of the subscription price over/to the average closing share price for the five previous consecutive trading days up to and including the last trading day (%)	Premium/ (Discount) of the subscription price over/to the theoretical ex-right share price (%)	Premium/ (Discount) of the subscription price over/to the latest consolidated net asset value per Share (%)	Underwriting/ placing commission, as the case may be (%)	Excess application *Yes/No*	Fully underwritten *Yes/No*	Maximum dilution effect (%) *(Note 1)*	Theoretical dilution impact *(Note 2)*
2 November 2025	15 January 2026	KNT Holdings Ltd	1025	1 for 1	(9.09)	(10.71)	(4.76)	48.15	3.00	N	N	50.00	9.39
17 October 2025	21 January 2026	World Super Holdings Ltd	8612	3 for 1	23.46	19.05	Not Disclosed	669.23 *(Note 5)*	2.50	N	N	75.00	12.94
26 November 2025	26 January 2026	Capital VC Ltd	2324	1 for 1	(27.30)	(24.80)	Not Disclosed	(87.70)	3.00	N	N	50.00	13.60
7 November 2025	28 January 2026	Winto Group (Holdings) Ltd	8238	3 for 1	(6.98)	(6.10)	(1.96)	Not Disclosed *(Note 4)*	3.00	N	N	75.00	5.12
21 November 2025	28 January 2026	Crown International Corp Ltd	727	3 for 1	(19.75)	(26.14)	(5.80)	(44.85)	N/A	Y	N	75.00	20.97
19 November 2025	3 February 2026	Silkwave Inc	471	3 for 1	(31.06)	(32.29)	(10.13)	(62.81)	N/A	Y	N	75.00	24.51
14 January 2026	6 February 2026	Jutal Offshore Oil Services Ltd	3303	1 for 6	(69.23)	(69.35)	(66.10)	(85.13)	1.00	N	N	14.29	9.92
				Min	(69.23)	(69.35)	(66.10)	(97.87)	0.07			14.29	0.55
				Max	23.46	19.05	(1.12)	195.74	7.07			87.50	24.78
				Median	(22.38)	(24.68)	(12.35)	(61.10)	2.50			41.67	11.43
				Mean	(24.54)	(25.58)	(16.82)	(27.46)	2.16			50.56	13.27
				The Company	26.58	31.23	16.28	4.09	2.00	N	N	33.33	4.60

Source: The Stock Exchange

Notes:

1. The potential maximum dilution effect of each rights issue is calculated as number of rights shares issued or to be issued under the basis of entitlement divided by the total number of shares as enlarged by the rights issue according to their respective basis of entitlements and assuming all rights shares have been/will be allotted and issued times 100%.

2. The theoretical dilution effect is calculated in according to Rule 10.44A of the Rules Governing of the Listing of Securities on GEM or Rule 7.27B of the Listing Rules.

3. The placing commission is calculated at a rate of 0.07%, based on a fixed placing commission of HK$100,000. This is determined in relation to the gross proceeds of the rights issue, which are approximately up to HK$151.68 million.

4. As the company is in capital deficiency, the premium or discount of the subscription price relative to the latest consolidated net asset value per Share cannot be meaningfully calculated.

5. These are identified as outliers as they fell materially outside the range of a minimum discount of 97.87% to a maximum premium of 195.74% observed among the peers in the table. These outliers have been carefully reviewed and, where appropriate, excluded from the analysis to ensure that the conclusions presented are not unduly influenced by atypical results.

We noted from the above table that majority of the Comparables had set the subscription price of their rights issue at a discount to the prevailing market price of the relevant shares before the relevant announcements in respect of the rights issue were made except two Comparables, being Gameone Holdings Limited (stock code: 8282) and World Super Holdings Ltd (stock code: 8612). The premium as represented by the Subscription Price over the closing prices of the Shares on the Last Trading Day of approximately 26.58% is higher than the maximum premium of Comparables of approximately 23.46%, the average discount of approximately 24.54% and the median discount of approximately 22.38%. The premium as represented by the Subscription Price over the average closing prices of the Shares for the five previous consecutive trading days up to and including the Last Trading Day of approximately 31.23% is higher than the maximum premium of Comparables of approximately 19.05%, the average discount of approximately 25.58% and the median discount of approximately 24.68%. The theoretical ex-right price per Share is at a premium of approximately 16.28%, which is higher than the minimum discount of Comparables of approximately 1.12%, the average discount of approximately 16.82% and the median discount of approximately 12.35%. The premium as represented by the Subscription Price of approximately 4.09% to the consolidated net asset value per Share is within the range of Comparables, higher than the average discount of approximately 27.46% and the median discount of approximately 61.10%. The theoretical dilution impact of approximately 4.6% is within the range of Comparables and is lower than both the average of approximately 13.27% and median of approximately 11.43%. The maximum dilution effect of approximately 33.33% is within the range of Comparables, being lower than both the average of approximately 50.56% and median of approximately 41.67%.

Shareholders should note that the above analysis is for reference only and may not be relevant to the analysis of the Subscription Price of the Rights Issue as we observed from the above table that most of the Comparables priced their rights issues at a discount to the prevailing market price of the relevant shares prior to the announcement of such rights issues. In contrast, as the Shares have recently been trading below par value, the Company is restricted under the Companies Act and its Memorandum and Articles from issuing Shares at a discount to their nominal value. Consequently, the Company cannot set the Subscription Price of the Rights Shares below par value (i.e. discount to its prevailing market price) and is therefore required to fix the Subscription Price at par, being HK$0.10, resulting the Subscription Price being premium to its prevailing market price.

Shareholders should also note that, given the relatively low liquidity of the Shares, it would be challenging to acquire a substantial block of Shares in the open market even with a lower price than the Subscription Price without significantly affecting the Share price. This underscores the importance of considering participation in the Rights Issue rather than attempting to purchase Shares in the market.

Pursuant to the Placing Agreement, the Company shall pay the Placing Agent a commission (the "**Placing Commission**") of 2.0% of the amount which is equal to the placing price (i.e. at least equal to the Subscription Price) multiplied by the Shares that are successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement and reimbursed for the expenses in relation to the Placing, which the Placing Agent is authorised to deduct from the payment to be made by the Placing Agent to the Company at completion. As illustrated in table above, the underwriting/placing commission rate of the Comparables ranged from 0.07% to 7.07%. The Placing Commission falls within the range of the underwriting/placing commission rate of the Comparables and close to the average and median of the Comparables. Accordingly, we consider that the Placing Commission is fair and reasonable. As the Company will make arrangements described in Rule 10.31(1)(b) of the GEM Listing Rule to dispose of the Unsubscribed Shares (including NQS Unsold Rights Shares) by offering the Shares to independent Placees for benefit of the Shareholders to whom they are offered by way of the Rights Issue. There will be no excess application arrangement in relation to the Rights Issue. Given that the Compensatory Arrangements would provide (i) a distribution channel of the Shares; and (ii) a compensatory mechanism for No Action Shareholders and the Excluded Shareholders, we concur with the view of the Board that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company's minority shareholders.

We have also reviewed other major terms of the Placing Agreement, including but not limited to the conditions and termination clause of the Placing Agreement (details of which are set out in the Letter from the Board) and we are not aware of any term which is unusual. As such, we are of the view that the terms of the Placing Agreement are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Having considered (i) the lowest Subscription Price is HK$0.10 per Share given the par value of the Shares is HK$0.10 per Share; as under the Companies Act and the Memorandum and Articles, the Company may not issue Shares at a discount to the nominal value of such Shares. The Company would not be able to issue the Rights Shares at a subscription price which is below par value; (ii) the general downward trend of the daily closing price of the Shares of the Company during the past 3 months immediately before the date of the Announcement as compared to the general increase of Hang Seng Index during the same period; (iii) the loss making position of the Group in the latest annual report of the Company and the prior years; (iv) the low trading volume of the Shares with approximately 9.9 million average daily trading volume of the Shares over the past year immediately before the Announcement, representing approximately 1.7% of the total number of issued Shares as at the Last Trading Day; and (v) the amount of funds the Company intends to raise under the Rights Issue for the purposes described in the section headed "Reasons for and benefits of the Rights Issue and use of proceeds", we are of the view that the Subscription Price is fair and reasonable to the Company.

IV. Effects on the shareholding structure of the Company

Assuming there is no change to the total issued Shares of the Company 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 (other than Century Great pursuant to the Irrevocable Undertaking) have taken up any entitlements of the Rights Shares and all the Unsubscribed Shares (including NQS Unsold Rights Shares) are placed to the independent placees:

	As at the date of 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 (other than Century Great pursuant to the Irrevocable Undertakings) have taken up any entitlements of the Rights Shares and none of the Unsubscribed Shares (including NQS Unsold Rights Shares) are placed to the independent placees**		**Immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders (other than Century Great pursuant to the Irrevocable Undertakings) have taken up any entitlements of the Rights Shares and all the Unsubscribed Shares (including NQS Unsold Rights Shares) are placed to the independent placees**	
	Number of Shares	*Approximate %*	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*
Century Great Investments Limited *(Note 1)*	38,105,500	6.45	57,158,250	6.45	57,158,250	9.37	57,158,250	6.45
Double Lions Limited *(Notes 2, 3, 4, 5 and 6)*	17,410,000	2.95	26,115,000	2.95	17,410,000	2.85	17,410,000	1.96
Zheng Jing *(Note 7)*	66,800,000	11.30	100,200,000	11.30	66,800,000	10.95	66,800,000	7.53
Public Shareholders								
Other public Shareholders	468,844,000	79.31	703,266,000	79.31	468,844,000	76.83	468,844,000	52.87
Placees	—	—	—	—	—	—	276,527,000	31.18
Total	**591,159,500**	**100.00**	**886,739,250**	**100.00**	**610,212,250**	**100.00**	**886,739,250**	**100.00**

Notes:

1. Century Great Investments Limited is 100% owned by Ms. Wong.

2. Double Lions Limited is owned as to 40.48% by Mr. John Warren McLennan, 20.00% by Ms. Tracy-Ann Fitzpatrick, 14.88% by Ms. Alison Siobhan Bailey, 14.88% by Mr. John Martin Rinderknecht and 9.76% by Mr. James Seymour Dickson Leach (collectively, with Double Lions Limited, the "**Double Lions Shareholders**"). Each of the Double Lions Shareholders executed the deed of acting in concert dated 12 February 2018 confirming the existence of their acting in concert and are deemed to be interested in all the Shares owned by Double Lions Limited.

3. As at the Latest Practicable Date, Double Lions Limited is owned as to 40.48% by Mr. John Warren McLennan, a director of a subsidiary of the Company. Double Lions Limited is therefore a close associate of Mr. John Warren McLennan and thus the shares held by it are not regarded as being in public hands

4. Mrs. Jennifer Carver McLennan is the spouse of Mr. John Warren McLennan and is deemed to be interested in the Shares held by Mr. John Warren McLennan by virtue of the SFO.

5. Mr. David Frances Bulbeck is the spouse of Ms. Tracy-Ann Fitzpatrick and is deemed to be interested in the Shares held by Ms. Tracy-Ann Fitzpatrick by virtue of the SFO.

6. Ms. Alison Siobhan Bailey and Mr. James Seymour Dickson Leach are married to each other and each of them is deemed to be interested in the Shares held by her/his spouse via Double Lions Limited by virtue of the SFO.

7. Other than being a substantial shareholder of the Company, Zheng Jing has no other relationship with the Company and its connected persons.

8. The percentage figures shown in the table above have been subject to rounding adjustments. Any discrepancies between totals and sums of the amounts listed herein are due to rounding adjustments

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Issue.

V. Possible dilution effect to the existing public Shareholders

The Rights Issue provides public Shareholders (excluding the placees) with the opportunity to maintain their proportional interests in the Company and to participate in its future development, should they choose to do so. However, those public Shareholders (excluding the placees) who opt not to subscribe to the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue, with their aggregate interests potentially reduced by a maximum of approximately 26.44%. As illustrated in the table above, the theoretical dilution effect of the Comparables ranged from approximately 0.55% to 24.78%, with an average of 13.09% and a median of 12.56%. The theoretical dilution effect of the Rights Issue, at approximately 4.60%, falls within the range of the Comparables and lower than the median and average dilution effects. Nonetheless, the theoretical dilution effect of the Rights Issue complies with the theoretical dilution limit as defined under the GEM Listing Rules. Having considered (i) the theoretical dilution effect of the Rights Issue falls within the range of the Comparables and complies with the dilution limit under the GEM Listing Rules; (ii) the proceeds from the Rights Issue will be applied toward the Group's repayment of borrowings and business development; (iii) the Rights Issue will strengthen the Group's financial position; (iv) all Qualifying Shareholders are given an equal opportunity to maintain their shareholding interests and participate in the Company's development; (v) the inherent dilutive nature of rights issues in general if existing shareholders do not fully take up their entitlements; and (vi) the flexibility provided to Qualifying Shareholders who choose not to subscribe, as they may dispose of their nil-paid Rights Shares in the open market, we consider that the potential dilution effect of the Rights Issue is justifiable.

VI. Fund raising exercise of the Company in the past twelve months

The Company has conducted the following equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date:

Date of the announcements	Fund raising activity	Net proceeds	Intended use of the net proceeds as announced	Actual use of proceeds as at the date of the Latest Practicable Date
19 March 2025, 25 April 2025 and 12 May 2025	Rights Issue of 136,843,500 rights shares	Approximately HK$13.3 million	General working capital of (i) approximately HK$2.3 million for payment of salary and remuneration expenses; (ii) approximately HK$3.0 million for payment of rental expenses; and (iii) approximately HK$8.0 million for trade related expenses including payments to suppliers, warehouse and logistics teams.	Fully utilized as intended
14 November 2025 and 25 November 2025	Subscription of 65,000,000 shares	Approximately HK$11.0 million	General working capital of (i) approximately HK$6.0 million for payment of salary, remuneration, rental, and trade related expenses; (ii) approximately HK$2.0 million for other operating & administrative expenses; and (iii) approximately HK$3.0 million for payment of the accrued expenses of the Group, including accrued rental expenses in Hong Kong, repayment of bank loan in Dubai and other borrowings by the end of 2025.	Fully utilized as intended
18 November 2025 and 25 November 2025	Subscription of 17,100,000 shares	Approximately HK$2.9 million	General working capital of (i) approximately HK$1.0 million for payment of salary, remuneration, rental, and trade related expenses; (ii) approximately HK$1.0 million for other operating & administrative expenses; and (iii) approximately HK$0.9 million for payment of the accrued expenses of the Group, including accrued rental expenses in Hong Kong, repayment of bank loan in Dubai and other borrowings by the end of 2025.	Fully utilized as intended
10 December 2025 and 19 December 2025	Placing of 98,520,000 shares	Approximately HK$11.4 million	General working capital of (i) approximately HK$6.0 million for payment of salary, remuneration, rental, and trade related expenses; (ii) approximately HK$4.4 million for other operating & administrative expenses; and (iii) approximately HK$1.0 million for payment of the accrued expenses of the Group, including accrued rental expenses in Hong Kong, repayment of bank loan in Dubai and other borrowings.	Fully utilized as intended

Save as disclosed above, there has not been any equity fund raising activity conducted by the Company in the past twelve months immediately preceding the date of the Latest Practicable Date.

VII. Possible Financial Effects of the Rights Issue

In terms of net tangible assets per Share, as set out in Appendix II to this Circular, upon completion of the Rights Issue, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per ordinary share as at 30 June 2025 immediately after the completion of the Rights Issue would be approximately HK$0.12 (assuming all Qualifying Shareholders have taken up the Rights Shares), representing a decrease of 14.3% as compared to the audited consolidated net tangible assets of the Group attributable to owners of the Company per ordinary share as at 30 June 2025 before the completion of the Rights Issue of approximately HK$0.14. Despite a reduction of approximately 14.3% in the consolidated net tangible assets of the Group attributable to owners of the Company per ordinary share upon completion of the Rights Issue, we have carefully considered (i) the reasons for the Rights Issue as outlined in the Letter from the Board; and (ii) the rights of the Qualifying Shareholders to take up their respective entitlements. This allows them to maintain their shareholdings in the Company and participate in the Group's potential growth. In our view, the overall impact on the consolidated net tangible assets of the Group attributable to owners of the Company per ordinary share is fair and reasonable, and it serves the best interests of the Company and its Shareholders as a whole.

In terms of liquidity position, the Group had bank balances and cash of approximately HK$4.9 million and the Group had total current assets of approximately HK$107.5 million and total current liabilities of approximately HK$65.7 million as at 30 June 2025, giving rise to a current ratio (being current assets divided by current liabilities) of approximately 1.6. Immediately upon completion of the Rights Issue, the cash and cash equivalents of the Group may increase by up to the maximum amount of net proceeds from the Rights Issue; that is up to approximately HK$28.1 million. In such case, the current ratio of the Group will potentially increase from approximately 1.6 to 2.1. As such, the current ratio and the Group's liquidity position will improve following the Rights Issue.

After taking into consideration the above, particularly the improvement in liquidity position of the Group, we are of the view that the Rights Issue is in the interest of the Company and the Shareholders as a whole.

RECOMMENDATION

Taking into consideration the above principal factors and reasons, we are of the view that the terms of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the relevant resolution(s) to be proposed at the EGM to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
First Global Corporate Finance Co., Limited
Wendy Liu
Managing Director

Ms. Liu is a licensed person registered with SFC and regarded as a responsible officer of Type 6 (advising on corporate finance) of First Global Corporate Finance Co., Limited. Ms. Liu has been a responsible officer of Type 6 (advising on corporate finance) regulated activities under SFO since 2014.

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for the two years ended 31 December 2022 and 2023 and the eighteen months ended 30 June 2025 are disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.pacificlegendgroup.com):

(i) the audited consolidated financial statements of the Group for the year ended 31 December 2022 is disclosed in the annual report of the Company for the year ended 31 December 2022 published on 30 March 2023 (pages 78 to 153)

(https://www1.hkexnews.hk/listedco/listconews/gem/2023/0330/2023033001435.pdf);

(ii) the audited consolidated financial statements of the Group for the year ended 31 December 2023 is disclosed in the annual report of the Company for the year ended 31 December 2023 published on 31 May 2024 (pages 86 to 191)

(https://www1.hkexnews.hk/listedco/listconews/gem/2024/0531/2024053102450.pdf); and

(iii) the audited consolidated financial statements of the Group for the eighteen months ended 30 June 2025 is disclosed in the annual report of the Company for the eighteen months ended 30 June 2025 published on 27 October 2025 (pages 85 to 199)

(https://www1.hkexnews.hk/listedco/listconews/gem/2025/1027/2025102701752.pdf).

2. INDEBTEDNESS STATEMENT

As at 31 December 2025, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group's indebtedness are set out below:

	HK$'000
Bank borrowing *(Note 1)*	1,339
Other borrowing *(Note 2)*	9,221
Total	10,560
Lease liabilities	7,867

Notes:

1. The bank borrowing is unsecured and guaranteed by a personal guarantee of a director of the subsidiary of the Company.

2. The other borrowing is bond payable with carrying amount of approximately HK$9.22 million subscribed from an Independent Third Party of the Group, which is unsecured and unguaranteed.

As at 31 December 2025, the Group did not have any contingent liabilities.

Save as disclosed above, the Group did not have any outstanding bank overdrafts or loans, or other similar indebtedness, mortgages, charges, or guarantees, debt securities, term loans, hire purchase commitments, liabilities under acceptances (other than normal trade bills) or acceptance credits, other borrowings or indebtedness in the nature of borrowings or contingent liabilities as at the close of business on 31 December 2025.

3. SUFFICIENCY OF WORKING CAPITAL

The Directors, after due and careful inquiry, are of the opinion that, after taking into account the financial resources presently available to the Group including the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for at least the next twelve months from the date of the publication of this circular.

4. 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 Group since 30 June 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group is principally involved in (i) the sale of home furniture and accessories ("**Furniture Sales**"), which includes retail, corporate sales, online shops, wholesales and franchise); (ii) rental of home furniture and accessories ("**Furniture Rental**"); and (iii) project and hospitality services ("**Projects**", which typically involve designing, styling, decorating and furnishing commercial or residential properties such as hotels, serviced apartments and showflats).

As disclosed in the annual report of the Group for the eighteen months ended 30 June 2025, despite challenging operating conditions, the Group recorded revenue of approximately HK$383.5 million for the 18M2025, representing an increase of approximately 53.0% from approximately HK$250.6 million for the FY2023 (or approximately 2.0% increase on a pro-rata basis). The revenue derived from Projects increased by approximately 91.4% (or approximately 27.6% increase on a pro-rata basis) from approximately HK$94.4 million in FY2023 to approximately HK$180.7 million in 18M2025, contributing the most revenue increase among the three business segments of the Group.

Furniture Sales

The Group will continue to prioritize its digital innovation and customer-centric approach to deliver more seamless and personalized shopping journeys in order to enhance customers' shopping experiences. The Group will also invest in enhancing its online platforms, including improving website design, functionality and product presentation, to ensure browsing, comparison and purchasing processes more intuitive and visually appealing. The product offerings will be regularly reviewed by the Group and, where considered appropriate, be expanded and adjusted to suit evolving customers preferences. Physical retail stores will remain an important touchpoint, providing customers with hands-on product experience, professional advice and after-sales support, complemented by online tools and digital channels to stay connected with customers. The Group will remain agile and continuously monitoring economic trends to capture emerging opportunities and optimize its pricing strategy, inventory management and cost structures.

Furniture Rental

The Group will focus on flexibility, digital enablement and service differentiation to meet the growing demand for short-term, lifestyle-driven and corporate rental solutions. By understanding customer needs, the Group will deliver a customer-centric services with emphasis on convenience, reliability and responsive after-rental support in our furniture rental business. The Group will leverage technology to streamline booking, logistics and inventory management, thereby improving operational efficiency. To drive expansion, the Group will explore collaborations with real estate developers, serviced apartment operators and relocation service providers to embed furniture rental solutions into their offerings. The Group will continue to adjust rental product mixes and pricing structures in response to market conditions to maintain competitiveness and sustainable growth.

Projects

The Group will position itself as a value-added, design-led and technology-enabled solutions provider for commercial and hospitality clients. The Group will integrate digital design tools to improve collaboration with developers, hotel operators and property owners, allowing clients to experience design concepts and layouts at an early stage. Again, a customer-centric mindset will underpin project execution, with tailored solutions that reflect the branding, operational needs and target demographics of each project. The Group will actively pursue partnerships and business relationships with real estate developers, hospitality groups and contractors to strengthen market presence and enrich project pipelines. The Group will also leverage its experience in furniture sales and rental to offer end-to-end furnishing solutions, enhancing cross-segment synergies. In light of the gradual recovery of the Hong Kong property market, the Group will focus on securing projects with reputable property developer and hospitality groups in Hong Kong with resilient demand to achieve solid and stable growth.

Retail network optimization

Against a backdrop of a slow economic recovery, rising inflation and operating costs, the Group is proactively assessing options to optimize its retail footprint in Hong Kong. The Group will continue to manage cash flow prudently, improve cost efficiency and lower operating expenses by reassessing the performance of existing retail stores. In this regard, the Group may consider not renewing certain leases upon expiry and will adopt a cautious approach when evaluating new store locations. This initiative aims to enhance operational efficiency while maintaining adequate market presence through a more balanced and sustainable retail network.

Gradual recovery of Hong Kong property market and government policy support

The Hong Kong government's cancellation of all residential property demand-side management measures with effect from 28 February 2024 is expected to support a gradual recovery of the residential property market. In addition, the government's plan to increase private housing supply in the northern part of Hong Kong, as outlined in the Policy Address 2025 issued in September 2025, is anticipated to stimulate home purchase and leasing activities. As a result, the Group expects an increase in demand for home furnishing, renovation and refitting services from property owners and tenants. The Group will continue to collaborate with property developers by offering furniture packages for first-hand residential flat buyers, positioning itself to benefit from the anticipated market recovery.

Financial Position of the Group

As at 31 December 2025, the Group has approximately HK$3.6 million cash and cash equivalent and approximately HK$10.6 million interest-bearing bank and other borrowings based on the unaudited management account. The Group's current ratio (being the ratio of current assets to current liabilities) and gearing ratio (being interest-bearing bank and other borrowings divided by total equity) are approximately 1.2 and 12.5% respectively as at 31 December 2025. The above financial information is only based on the preliminary assessment by the Board and the unaudited management account of the Group, and it is not based on any figures or information audited or reviewed by the Company's auditor.

The Group's management regularly reviews the recoverable amount of each individual trade receivables and implemented procedures to ensure that follow up actions are taken to recover overdue debts. The Group will also closely monitors its liquidity position to ensure the liquidity structure (including the gearing ratio) remains at reasonable level and it is able to meet its funding requirement.

Although the bank and other borrowings of the Group exceeds its cash and cash equivalents, taking into account the Group's current ratio of above 1.0, gearing ratio of below 20%, the expected receipt of net proceeds from the Rights Issue, and its ongoing monitoring of trade receivables and liquidity structure, the Directors consider that the Group maintains an adequate financial position to support its existing operations and planned business expansion.

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

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company (the "**Unaudited Pro Forma Financial Information**") has been prepared by the Directors in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by Hong Kong Institute of Certified Public Accountants to illustrate the effect of the Rights Issue on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025, as if the Rights Issue had been completed on 30 June 2025.

The Unaudited Pro Forma Financial Information has been prepared by the Directors for illustrative purpose only, 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 adjusted consolidated net tangible assets of the Group attributable to owners of the Company had the Rights Issue been completed as at 30 June 2025.

The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated statement of financial position of the Group as at 30 June 2025, as extracted from published annual report of the Company for the eighteen months ended 30 June 2025, after incorporating the unaudited pro forma adjustment described in the accompanying notes.

	Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 *HK$'000* *(Note 1)*	**Estimated net proceeds from the Rights Issue** *HK$'000* *(Note 2)*	**Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Rights Issue** *HK$'000*	**Audited consolidated net tangible assets of the Group attributable to owners of the Company per share as at 30 June 2025** *HK$* *(Note 3)*	**Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share immediately after the completion of the Rights Issue** *HK$* *(Note 4)*
Based on 295,579,750 Rights Shares to be issued at the Subscription Price of HK$0.10 per Rights Share	56,794	28,080	84,874	0.14	0.12

Notes:

1. The audited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 of approximately HK$56,794,000 were extracted from the audited consolidated statement of financial position of the Group as at 30 June 2025 set out in the published annual report of the Company for the eighteen months ended 30 June 2025.

2. The estimated net proceeds from the Rights Issue of approximately HK$28,080,000 is calculated based on 295,579,750 Rights Shares to be issued at the Subscription Price of HK$0.10 per Rights Share, after deduction of the estimated related expenses of approximately HK$1,478,000, which is directly attributable to the Rights Issue.

3. The audited consolidated net tangible assets of the Group attributable to owners of the Company per share as at 30 June 2025 is approximately HK$0.14, which is calculated based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 of approximately HK$56,794,000 divided by 410,539,500 shares of the Company in issue as at 30 June 2025.

4. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share immediately after the completion of the Rights Issue is approximately HK$0.12, which is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Rights Issue of approximately HK$84,874,000 divided by 706,119,250 shares of the Company, which comprises (i) 410,539,500 shares of the Company in issue as at 30 June 2025; and (ii) 295,579,750 Rights Shares to be issued.

5. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company to reflect any trading results or other transactions of the Company entered into subsequent to 30 June 2025, including (i) subscription of 65,000,000 shares of the Company at a price of HK$0.17 per share, with gross proceeds of HK$11,050,000 completed on 21 November 2025; (ii) subscription of 17,100,000 shares of the Company at a price of HK$0.17 per share, with gross proceeds of HK$2,907,000 completed on 25 November 2025; and (iii) placing of 98,520,000 shares of the Company at a price of HK$0.118 per share, with gross proceeds of approximately HK$11,625,000 completed on 19 December 2025. The subscription and placing of 180,620,000 shares of the Company, in aggregate, were not considered as an adjusted subsequent event and not directly attributable to the Rights Issue, and therefore, were not included as unaudited pro forma adjustment. The number of 295,579,750 Rights Shares, being the maximum total number of Rights Shares issuable assumed in presenting audited consolidated net tangible assets of the Group attributable to owners of the Company per share as at 30 June 2025 immediately after the completion of the Rights Issue, is based on the actual number of shares in issue on the Latest Practicable Date which took into the consideration the above-mentioned subscription and placing of 180,620,000 shares of the Company, in aggregate.

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

The following is the text of the independent reporting accountants' assurance report received from Jon Gepsom CPA Limited, Certified Public Accountants, the reporting accountants of the Company, in respect of the Unaudited Pro Forma Financial Information, prepared for the purpose of inclusion in this circular.



Jon Gepsom CPA Limited
1003-1005, 10/F., Siu On Centre
188 Lockhart Road, Wan Chai, Hong Kong

13 February 2026

Board of Directors
Pacific Legend Group Limited
6/F., Horizon Plaza
2 Lee Wing Street
Ap Lei Chau
Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Pacific Legend Group Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025, and related notes (the "**Unaudited Pro Forma Financial Information**") as set out on pages II-1 to II-2 to the circular dated 13 February 2026 issued by the Company (the "**Circular**"). The applicable criteria on the basis of which the directors of the Company have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 and II-2 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the directors of the Company to illustrate the impact of the rights issue on the basis of one rights share for every two shares of the Company held on the record date at a subscription price of HK$0.10 per rights share (the "**Rights Issue**") as if the Rights Issue had been taken place on 30 June 2025. As part of this process, information about the consolidated net tangible assets of the Group attributable to owners of the Company has been extracted by the directors of the Company from the Group's audited consolidated financial statements for the eighteen months ended 30 June 2025, on which an auditor's report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

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

Our Independence and Quality Management

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

Our firm applies Hong Kong Standard on Quality Management 1 *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 or 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 plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the GEM 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 the Circular is solely to illustrate the impact of the Rights Issue on unadjusted financial information of the Group as if the Rights Issue had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue at 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 of the Company 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 adjustment gives 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' judgement, 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 by the directors of the Company on the basis stated;

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

(c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Yours Faithfully,

Jon Gepsom CPA Limited
Certified Public Accountants

Hong Kong

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. 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; and (ii) immediately after the completion of the Rights Issue (assuming full acceptance of the Rights Issue and there is no change to the total issued Shares of the Company from the Latest Practicable Date up to the completion of the Rights Issue) are set out as follows:

(i) As at the Latest Practicable Date

		HK$
Authorised:		
1,000,000,000	Shares of HK$0.1 each	100,000,000
Issued and paid-up share capital:		
591,159,500	Shares of HK$0.1 each	59,115,950

(ii) Immediately after the completion of the Rights Issue (assuming full acceptance of the Rights Issue and there is no change to the total issued Shares of the Company from the Latest Practicable Date up to the completion of the Rights Issue)

Authorised:		
1,000,000,000	Shares of HK$0.1 each	100,000,000
Issued and paid-up share capital:		
591,159,500	Shares of HK$0.1 each	59,115,950
295,579,750	Rights Shares to be allotted and issued upon completion of the Rights Issue	29,557,975
886,739,250	Shares in issue immediately after completion of the Rights Issue	88,673,925

As at the Latest Practicable Date, the number of issued Shares was 591,159,500 Shares of par value of HK$0.1 each which have been fully paid, with no treasury Shares.

All of the Shares in issue are fully-paid and rank *pari passu* with each other in all respects including the rights as to voting, dividends and return of capital. The Rights Shares, when allotted, issued and fully paid, will 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 may be declared, made or paid by the Company after the date of allotment and issue 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.

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

3. SHARE OPTION SCHEMES

As at the Latest Practicable Date, there are 9,450,000 outstanding Share Options for subscription of an aggregate amount of 9,450,000 Shares under the Share Option Scheme, which are exercisable during 13 June 2026 to 12 June 2027 with an exercise price of HK$0.166 per Share. Save for the aforesaid, the Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the Latest Practicable Date.

As at the Latest Practicable Date, no capital of any member of the Group was under option or agreed conditionally or unconditionally to be put under option.

4. DISCLOSURE OF INTERESTS

Directors' and chief executive's interests and short positions in Shares, underlying shares and debentures

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) 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 they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) 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:

Long Positions in Shares

(a) Interest in the Shares

Name of Directors and chief executives	Capacity/ Nature of Interest	Number of issued Shares held	Number of Share Options granted[3]	Total	Approximate percentage of the issued Share capital of the Company[1]
Ms. Wong Wing Man	Interest in controlled corporation[2]	38,105,500 (L)	410,000 (L)	38,515,500 (L)	6.52%
Mr. Law Sai Kit	Beneficial interests	—	410,000 (L)	410,000 (L)	0.07%
Mr. Lam Chun Hin	Beneficial interests	—	410,000 (L)	410,000 (L)	0.07%
Mr. Wong Sui Chi	Beneficial interests	—	410,000 (L)	410,000 (L)	0.07%
Mr. So Alan Wai Shing	Beneficial interests	—	410,000 (L)	410,000 (L)	0.07%
Mr. Lee Kwong Ming	Beneficial interests	—	410,000 (L)	410,000 (L)	0.07%
Mr. Chan Kin Sun	Beneficial interests	—	410,000 (L)	410,000 (L)	0.07%

Notes:

(L) denotes long positions.

1. Calculation is based on a total of 591,159,500 Shares, being the total number of shares issued as at the Latest Practicable Date.

2. Century Great is 100% owned by Ms. Wong and is deemed to be interested in all the Shares owned by Century Great.

3. Share Options were granted by the Company pursuant to the Share Option Scheme.

(b) Interest in the shares of an associated corporation

Name of Directors and chief executives	Name of associated corporation	Capacity/ Nature of Interest	Number of share of US$1.00 each in our associated corporation held	Approximate percentage of shareholding in our associated corporation
Ms. Wong Wing Man	Century Great Investments Limited	Beneficial interest	1	100%

Save as disclosed above, as at the Latest Practicable Date, no other Directors or chief executive of the Company had any interest or short positions in the Shares, underlying Shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which (i) 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 the interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) 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.

Substantial shareholders' interest in Shares and underlying shares

As at the Latest Practicable Date, so far as was known to the Directors, the following persons, other than the Directors or chief executives of the Company, had interests or short positions 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 which were recorded in the register kept by the Company under section 336 of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of Shareholders	Capacity/ Nature of Interest	Number of issued Shares held	Number of Share Options granted[3]	Total	Approximate percentage of the issued Share capital of the Company[1]
Century Great[2]	Beneficial interest	38,105,500 (L)	410,000 (L)	38,515,500 (L)	6.52%
Zheng Jing	Beneficial interest	66,800,000 (L)	—	66,800,000 (L)	11.30%

Notes:

(L) denotes long positions.

1. Calculation is based on a total of 591,159,500 Shares, being the total number of shares issued as at the Latest Practicable Date.

2. Century Great is 100% owned by Ms. Wong and is deemed to be interested in all the Shares owned by Century Great.

3. Share Options were granted by the Company pursuant to the Share Option Scheme.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no person (other than a Director or chief executive of the Company) had, or was taken or deemed to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

5. DIRECTORS' INTERESTS IN COMPETING INTERESTS

As at the Latest Practicable Date, the Directors were not aware that any of them or his/her/its respective close associates had interests in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group or have or may have any other conflict of interest with the Group which would fall to be disclosable under the GEM Listing Rules.

6. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors (i) had any interest in any assets which have been, since 30 June 2025 (being the date up 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 are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, save for the Irrevocable Undertaking, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting and significant in relation to the business of the Group.

7. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has 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).

8. LITIGATION

On 14 February 2025, the High Court of Hong Kong rendered a final judgment against the Company and its subsidiary, regarding the outstanding rental payments and related charges and interest in the aggregate amount of approximately HK$900,000 to be paid to the landlord in relation to the lease of the property located at Shop No. 312, Level 3, The Arcade, Cyberport 2, No. 100 Cyberport Road, Pokfulam, Hong Kong. As at the Latest Practicable Date, the parties were in negotiations in view of reaching a settlement agreement regarding the amount.

On 24 February 2025, the High Court of Hong Kong rendered a final judgment against the subsidiary of the Company, regarding the outstanding rental payments and related charges and interest in the aggregate amount of approximately HK$900,000 to be paid to the landlord in relation to the lease of the property located at Units 1202–1204, Level 12, Cyberport 2, 100 Cyberport Road, Pokfulam, Hong Kong. As at the Latest Practicable Date, the parties were in negotiations in view of reaching a settlement agreement regarding the amount.

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

9. EXPERTS AND CONSENTS

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

Name	Qualifications
Jon Gepsom CPA Limited	Certified Public Accountants
First Global Corporate Finance Co., Limited	A corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity 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/or the reference to its name in the form and context in which they respectively appear.

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

As at the Latest Practicable Date, none of the experts had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 30 June 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

10. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) had been entered into by members of the Group within the two years immediately preceding the date of this circular and which are or may be material to the Group:

(i) the placing agreement dated 4 March 2024 entered into between the Company as issuer and KGI Asia Limited as placing agent in relation to the placing of up to 15,516,000 placing shares on a best effort basis to not less than six placees at the placing price of HK$0.21 per placing share;

(ii) the sale and purchase agreement dated 13 March 2024 entered into between Raeford Holdings Limited, a wholly-owned subsidiary of the Company, as vendor and Mr. Tsang, Ka Wing Hiram as purchaser, pursuant to which the vendor agreed to sell and the purchaser agreed to purchase, the entire issued share capital of Deep Blue Living Limited at the consideration of HK$10,000;

(iii) the placing agreement dated 8 August 2024 entered into between the Company as issuer and Constance Capital Limited as placing agent in relation to the placing of up to 42,700,000 placing shares on a best effort basis to not less than six placees at the placing price of HK$0.165 per placing share;

(iv) the sale and purchase agreement dated 23 September 2024 entered into between Ms. Yan Kam Ying as vendor and JF (Greater Bay) Group Company Limited as purchaser, pursuant to which the purchaser has conditionally agreed to acquire, and the vendor has agreed to sell, 40% shareholding interest in Hong Kong Taichen Ecology Agricultural Development Company Limited at the consideration of HK$4.5 million;

(v) the instruments of transfer dated 21 January 2025 entered into between Miracle Ace International Limited, a wholly-owned subsidiary of the Company, as vendor and Mr. Cheung Chi Keung as purchaser, pursuant to which the vendor agreed to sell and the purchaser agreed to purchase, the entire issued share capital of each of Shine Key Inc Limited and Mega Champion Inc Limited at the consideration of HK$2.0 million;

(vi) the placing agreement dated 19 March 2025 entered into between the Company as issuer and Constance Capital Limited as placing agent in relation to the placing of unsubscribed rights shares of the rights issue on the basis of one (1) rights share for every two (2) shares in issue, on a best effort basis at the placing price of not less than HK$0.1 per placing share;

(vii) the supplemental deed dated 30 April 2025 entered into between a subsidiary of the Company and MPJS Group Limited, to amend and modify certain terms of the subscription agreement dated 9 October 2023, pursuant to which both parties agreed to (i) extend the put option granted to the subsidiary of the Company and (ii) impose a six months lock-up arrangement in the event that the MPJS Group Limited successfully completes its proposed listing;

(viii) the subscription agreement dated 14 November 2025 entered into between the Company as issuer and Ms. Zheng Jing as subscriber in relation to the subscription of 65,000,000 subscription shares at the subscription price of HK$0.17 per subscription share;

(ix) the subscription agreement dated 18 November 2025 entered into between the Company as issuer and Ms. Lam Chau Ha as subscriber in relation to the subscription of 17,100,000 subscription shares at the subscription price of HK$0.17 per subscription share;

(x) the placing agreement dated 10 December 2025 entered into between the Company as issuer and Constance Capital Limited as placing agent in relation to the placing of up to 98,527,900 placing shares on a best effort basis to not less than six placees at the placing price of HK$0.118 per placing share; and

(xi) the Placing Agreement.

11. CORPORATE INFORMATION AND PARTIES TO THE RIGHTS ISSUE

Board of Directors	*Executive Directors* Ms. Wong Wing Man *(Chairperson)* Mr. Wong Sui Chi Mr. Law Sai Kit Mr. Lam Chun Hin *Independent non-executive Directors* Mr. So Alan Wai Shing Mr. Lee Kwong Ming Mr. Chan Kin Sun
Registered office	Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands
Principal place of business in Hong Kong	6/F, Horizon Plaza, 2 Lee Wing Street Ap Lei Chau, Hong Kong
Company secretary	Mr. Wong Sui Chi 6/F, Horizon Plaza, 2 Lee Wing Street Ap Lei Chau, Hong Kong
Authorised representatives	Ms. Wong Wing Man and Mr. Wong Sui Chi 6/F, Horizon Plaza, 2 Lee Wing Street Ap Lei Chau, Hong Kong
Auditor	Jon Gepsom CPA Limited *Certified Public Accountants* 1003–1005, 10/F., Siu On Centre 188 Lockhart Road Wan Chai Hong Kong
Principal banker	The Hongkong and Shanghai Banking Corporation Limited Level 3 & BL 1, HSBC Main Building 1 Queen's Road Central Central, Hong Kong Fubon Bank (Hong Kong) Limited Fubon Bank Building 38 Des Voeux Road Central, Hong Kong

Principal share registrar and transfer office in the Cayman Islands	Conyers Trust Company (Cayman) Limited Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands
Hong Kong branch share registrar and transfer office	Union Registrars Limited Suites 3301–04, 33/F. Two Chinachem Exchange Square 338 King's Road North Point Hong Kong
Financial adviser	Rainbow Capital (HK) Limited Office No. 710, 7/F Wing On House No. 71 Des Voeux Road Central Hong Kong
Independent Financial Adviser	First Global Corporate Finance Co., Limited Room 1706–07, 17/F China Insurance Group Building 141 Des Voeux Road Central Central, Hong Kong
Placing Agent	Constance Capital Limited Unit B11 27/F NCB Innovation Centre No. 888 Lai Chi Kok Road Cheung Sha Wan, Kowloon Hong Kong

12. EXPENSES

The expenses in connection with the Rights Issue, including but not limited to the financial advisory fees, printing, registration, translation, legal and accounting fees are estimated to be approximately HK$1.5 million, which are payable by the Company.

13. PARTICULARS OF DIRECTORS OF THE COMPANY

Executive Directors

Ms. Wong Wing Man, aged 48, was appointed as an executive Director with effect from 15 March 2023 and was appointed as the chairperson of the Board and one of the authorised representatives of the Company on 28 June 2024. She is also a member of our Remuneration Committee and Nomination Committee. She is currently a director and sole owner of Century Great Investments Limited, an investment holding company that holds 38,105,500 Shares, representing approximately 6.45% of the issued share capital of the Company as at the Latest Practicable Date. Ms. Wong has more than 13 years of experience in customer relationship management, marketing, human resources management and administration. Ms. Wong holds a Master of business administration degree from Hong Kong Baptist University, a Postgraduate Diploma in Professional Accounting from Hong Kong Baptist University, and a Bachelor of Business Administrative Management from University of South Australia.

Mr. Wong Sui Chi, aged 58, has been an independent non-executive Director since 18 September 2023 and was redesignated as executive Directors since 3 June 2024. Mr. Wong is also the Company's Company Secretary and one of the authorised representative of the Company since 20 November 2024. He was an independent non-executive Director from 18 September 2023 to 2 June 2024. Mr. Wong has over 30 years of extensive experience in finance and accounting, including but not limited to, financial management, corporate management and auditing. He has been serving in international accounting firms, manufacturing and retailing companies, listed property development company, securities and futures brokerage company. He is serving as an independent non-executive director of Hong Kong Entertainment International Holdings Limited (a company listed on the Stock Exchange (stock code: 8291) since February 2017. He was serving as an independent non-executive director of New Amante Group Limited (formerly known as BCI Group Holdings Limited) (a company listed on the Stock Exchange (stock code: 8412)) from March 2017 to February 2021. Mr. Wong was an independent non-executive director of Net-A-Go Technology Company Limited (a company listed on the Stock Exchange (stock code: 1483)) from November 2013 to October 2016. He was also an independent non-executive director of Legend Strategy International Holdings Group Company Limited (a company listed on the Stock Exchange (stock code: 1355)) from December 2012 to July 2015.

Mr. Wong received a Bachelor degree in accountancy from the City Polytechnic of Hong Kong (currently known as City University of Hong Kong) in November 1991, a master degree of science in financial management from the University of London in December 2003 and a certificate in taxation and accounting in the PRC from The Hong Kong Polytechnic University in August 2004. Mr. Wong is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Institute of Chartered Accountants in England and Wales.

Mr. Law Sai Kit, aged 52, has been an executive Director since 3 June 2024. Mr. Law has over 30 years of experience in the transportation and logistics industry. From 1992 to present, he worked as a transport logistics manager at an international logistics company where he is mainly responsible for coordinating and managing the company's transportation department and to develop and implement shipping strategies. Since May 2024, he has been appointed director of Indigo Living Limited, a subsidiary of the Company. Mr. Law is the brother-in-law of Ms. Wong Wing Man, an executive Director who holds 38,105,500 Shares, representing approximately 6.45% of the issued share capital of the Company through Century Great as at the Latest Practicable Date.

Mr. Lam Chun Hin, aged 29, has been an executive Director since 3 June 2024. Mr. Lam received a bachelor degree in economics and business administration from the Northeastern University, Boston, United States of America in August 2019 and a master degree in finance from King's College London, United Kingdom in December 2022. He is currently a sole director and sole owner of Prime Provisions Limited, a trading company incorporated in Hong Kong. Since June 2024, he joined the Group as finance manager of the subsidiary of the Company.

Independent non-executive Directors

Mr. So Alan Wai Shing, aged 58, has been an independent non-executive Director since 23 February 2021. He is also the chairman of the audit committee and a member of each of the remuneration committee and the nomination committee of the Company. He is currently the sole proprietor of Alan So & Co., Certified Public Accountants. He has more than 26 years of experience in audit and accounting field and is currently a registered practicing member of the Hong Kong Institute of Certified Public Accountants. From May 2012 to February 2014, he was the chief financial officer and company secretary of Huazhang Technology Holding Limited (a company then listed on the GEM of the Stock Exchange with stock code 8276, now listed on the Main Board of the Stock Exchange with stock code 1673). From August 2016 to October 2019, he was the chief financial officer of Royale Furniture Holdings Limited (a company listed on the Main Board of the Stock Exchange with stock code 1198). Mr. So holds a bachelor's degree in business majoring in accounting from Edith Cowan University and a master's degree in business administration from The Open University of Hong Kong.

Mr. Lee Kwong Ming, aged 54, has been an independent non-executive Director since 22 April 2021. He is also the chairman of the nomination committee and a member of each of the audit committee and remuneration committee of the Company. He is a fellow member and a practising certificate holder of Hong Kong Institute of Certified Public Accountants. He is also a fellow member of the Association of International Accountants. He was serving as an independent non-executive director of Flydoo Technology Holding Limited (formerly known as WWPKG Holdings Company Limited) (Stock Code: 08069, a company listed on GEM of the Stock Exchange of Hong Kong Limited) from 4 July 2022 to 20 March 2024. He is currently full-time practising on his own name and has more than 28 years of experience in audit, tax and company secretarial services.

Mr. Chan Kin Sun, aged 55, has been an independent non-executive Director since 1 December 2023. He is also the chairman of the remuneration committee and a member of each of the audit committee and the nomination committee of the Company. Mr. Chan obtained his Master of Science in Manufacturing Systems Engineering from the University of Warwick, United Kingdom, in 2001. He was awarded the Executive Diploma in Six Sigma Black Belt in 2009. He has been working as the Honorary Advisor in Global Institute of Management since 2012 which is a non-profit making organization promoting academic and professional knowledge of management personnel and contributing to the tertiary education, research and professional training in Hong Kong and the PRC. Mr. Chan has over 21 years of experience in manufacturing engineering, quality control, research and development and procurement in consumer electronics products sector.

Business address of the Directors

The business address of the Directors is the same as the Company's principal place of business in Hong Kong at 6/F, Horizon Plaza, 2 Lee Wing Street, Ap Lei Chau, Hong Kong.

14. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board comprises all the independent non-executive Directors, namely Mr. So Alan Wai Shing, Mr. Lee Kwong Ming and Mr. Chan Kin Sun. The primary duties of the audit committee include the review of the Group's financial reporting process and the internal control systems as well as risk management of the Group.

15. MISCELLANEOUS

(i) The company secretary of the Company is Mr. Wong Sui Chi, who joined the Company in June 2024. He received a Bachelor degree in accountancy from the City Polytechnic of Hong Kong (currently known as City University of Hong Kong) in November 1991, a master degree of science in financial management from the University of London in December 2003 and a certificate in taxation and accounting in the PRC from The Hong Kong Polytechnic University in August 2004. Mr. Wong is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Institute of Chartered Accountants in England and Wales.

(ii) As at the Latest Practicable Date, there was no restriction affecting the remittance of profits or repatriation of capital of the Company into Hong Kong from outside Hong Kong. The Group does not have significant exposure to foreign exchange liabilities.

(iii) The Board confirms that to the best of their knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, there was no voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholder and there was no obligation or entitlement of any Shareholder whereby he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his Shares to a third party, either generally or on a case-by-case basis.

(iv) The English text of this circular and the accompanying form of proxy shall prevail over the respective Chinese text in case of inconsistency.

16. DOCUMENTS ON DISPLAY

Copies of the following documents are available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.pacificlegendgroup.com) from the date of this circular up to and including the date of EGM:

(i) the Letter from the Board, the text of which is set out on pages 10 to 39 of this circular;

(ii) the letter from Independent Financial Adviser, the text of which is set out on pages IFA-1 to IFA-34 of this circular;

(iii) the accountants' report on the unaudited pro forma financial information of the Group set out in Appendix II to this circular;

(iv) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;

(v) As at the Latest Practicable Date, there was no material contract for the hire or hire purchase of plant to or by any member of the Group for a period of over a year which is substantial in relation to the Group's business; and

(vi) the written consents of the experts referred to in the paragraph headed "Experts and consents" in this appendix.

PACIFIC LEGEND GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8547)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of Pacific Legend Group Limited (the "**Company**") will be held at 6/F, Horizon Plaza, 2 Lee Wing Street, Ap Lei Chau, Hong Kong at 10:00 a.m. on Tuesday, 10 March 2026 for the purpose of considering and, if though fit, passing the following resolutions as ordinary resolutions of the Company.

Unless otherwise indicated, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated Friday, 13 February 2026 (the "**Circular**").

ORDINARY RESOLUTIONS

1. "**THAT** conditional upon (i) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) listing of and permission to deal in all the Rights Shares, in both nil-paid and fully-paid forms and such listing not being withdrawn or revoked; (ii) the delivery to the Stock Exchange, and filing and registration with Companies Registry in Hong Kong of one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by a resolution of the Directors (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and in compliance with the GEM Listing Rules, the Companies (WUMP) Ordinance and the Companies Ordinance; and (iii) the Placing Agreement not having been terminated in accordance with its terms:

   (a) the allotment and issue of 295,579,750 Rights Shares by way of Rights Issue at the Subscription Price of HK$0.10 per Rights Share on the basis of one (1) Rights Share for every two (2) Shares held by the Qualifying Shareholders whose names appear on the register of members of the Company as at the close of business on the Record Date other than those Excluded Shareholders whose addresses as shown on the register of members of the Company are outside Hong Kong, whom the Directors, after making enquiry regarding the legal restrictions under the laws of relevant place and requirements of the relevant regulatory body or stock exchange, consider it necessary or expedient to exclude from Rights Issue, based on legal advice provided by legal advisers in the relevant jurisdictions, and the transactions contemplated thereunder, be and are hereby approved;

   (b) the Placing Agreement dated 27 January 2026 entered into between the Company and the Placing Agent and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

(c) the Board or a committee thereof be and is/are 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 Qualifying Shareholders and, in particular, the Board may make such exclusions or other arrangements in relation to the Excluded Shareholders as it may deem necessary or expedient having regard to the legal restrictions under the laws of the place and requirements of the relevant regulatory body or stock exchange; and

(d) any Director be and is 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.''

Yours faithfully
By order of the Board
Pacific Legend Group Limited
Wong Wing Man
Chairperson and Executive Director

Hong Kong, 13 February 2026

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

Principal place of business in Hong Kong:
6/F, Horizon Plaza
2 Lee Wing Street
Ap Lei Chau, Hong Kong

Notes:

1. Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies (if such member is the holder of two or more shares) to attend and to vote instead of them. A proxy need not be a member of the Company.

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

3. A form of proxy for use at the meeting is enclosed (and such form of proxy is also available on the website of the Stock Exchange at www.hkexnews.hk and the Company at www.pacificlegendgroup.com).

4. To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or any adjournment thereof.

5. According to Rule 17.47(4) of the GEM Listing Rules, the voting at the EGM will be taken by poll.

6. For determining the entitlement to attend and vote at the meeting, the transfer books and register of members of the Company will be closed from Wednesday, 4 March 2026 to Tuesday, 10 March 2026, both days inclusive, during which period no share transfers can be registered. The record date for determining the entitlements of the Shareholders to attend and vote at the EGM is Tuesday, 10 March 2026. In order to qualify for attending and voting at the meeting, the non-registered shareholders must lodge all transfer documents, accompanied by the relevant share certificates with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Tuesday, 3 March 2026.

7. If typhoon signal No. 8 or above, or a "black" rainstorm warning or "extreme conditions after super typhoons" announced by the Government of Hong Kong is/are in effect/hoisted any time after 7:00 a.m. on the date of the meeting, the meeting will be postponed. The Company will post an announcement on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.pacificlegendgroup.com to notify Shareholders of the date, time and place of the rescheduled meeting.

8. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

As at the date of this notice, the Board comprises Ms. Wong Wing Man, Mr. Wong Sui Chi, Mr. Law Sai Kit and Mr. Lam Chun Hin as executive Directors; and Mr. So Alan Wai Shing, Mr. Lee Kwong Ming and Mr. Chan Kin Sun as independent non-executive Directors.

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 www.hkexnews.hk for at least seven days from the day of its posting. This notice will also be published on the Company's website at www.pacificlegendgroup.com.