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 **WLS Holdings Limited**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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

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

WLS Holdings Limited
滙隆控股有限公司*

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8021)

(1) PROPOSED CAPITAL REORGANISATION; AND (2) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) ADJUSTED SHARE HELD AT THE CLOSE OF BUSINESS ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS; AND (3) NOTICE OF SPECIAL GENERAL MEETING

Placing Agent to the Company
Suncorp Securities Limited

Suncorp
Securities Limited

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

VINCO 誉高
Vinco Financial Limited

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

A letter from the Board is set out on pages 12 to 38 of this circular. The recommendation of the Independent Board Committee to the Independent Shareholders is set out on page 39 of this circular. A letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 40 to 63 of this circular

A notice convening the SGM to be held at Portion 2, 12th Floor, The Centre, 99 Queen's Road Central, Hong Kong on Tuesday, 14 April 2026 at 11:00 a.m. or any adjournment thereof is set out on pages SGM-1 to SGM-4 of this circular. A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend and vote at the SGM in person, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Share Registrar, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event no less than 48 hours before the time appointed for holding the SGM (i.e. Sunday, 12 April 2026 at 11:00 a.m.) or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish and, in such event, the instrument appointing the proxy shall be deemed to be revoked.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares and is subject to the fulfilment of conditions set out in the section headed "Letter from the Board – Proposed Rights Issue – Conditions of the Rights Issue" in this circular. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should excise 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, the Rights Shares not taken up by the Qualifying Shareholders will be placed to independent Placees under the Compensatory Arrangements. The Placing 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.

* *For identification purposes only*

20 March 2026

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and midsized 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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EXPECTED TIMETABLE

The expected timetable for the Capital Reorganisation and the Rights Issue is set out below which is indicative only and has been prepared on the assumption that all the conditions of the Capital Reorganisation and the Rights Issue will be fulfilled.

Event	**2026**
Latest time and date for lodging transfer documents in order to qualify for attendance and voting at the SGM	4:30 p.m. on Wednesday, 8 April
Closure of register of members of the Company for attending the SGM (both dates inclusive)	Thursday, 9 April to Tuesday, 14 April
Latest time and date for lodging forms of proxy for the SGM	11:00 a.m. on Sunday, 12 April
Record date for determining attendance and voting at the SGM	Tuesday, 14 April
Expected date and time of the SGM	11:00 a.m. on Tuesday, 14 April
Announcement of poll results of the SGM	Tuesday, 14 April
Register of members of the Company re-opens	Wednesday, 15 April

The following events are conditional on the fulfilment of the conditions relating to the implementation of the Capital Reorganisation and the Rights Issue and therefore the dates are tentative only.

Effective date for the Capital Reorganisation	Thursday, 16 April
Commencement of dealing in the Adjusted Shares	9:00 a.m., Thursday, 16 April
Original counter for trading in the Existing Shares in board lot of 10,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m., Thursday, 16 April
Temporary counter for trading in the Adjusted Shares in board lot of 250 Adjusted Shares (in the form of existing share certificates) opens	9:00 a.m., Thursday, 16 April
First day of free exchange of existing share certificates for new share certificate for Adjusted Shares commences	Thursday, 16 April
Last day of dealing in the Adjusted Shares on a cum-rights basis	Thursday, 16 April

First day of dealings in the Adjusted Shares on an ex-rights basis	Friday, 17 April
Latest time for the Shareholders to lodge transfer documents in order to qualify for the Rights Issue	4:30 p.m. on Monday, 20 April
Closure of register of members of the Company for the Rights Issue (both dates inclusive)	Tuesday, 21 April to Friday, 24 April
Record Date for determining entitlements to the Rights Issue	Friday, 24 April
Register of members of the Company re-opens	Monday, 27 April
Expected despatch of Prospectus Documents	Monday, 27 April
First day of dealings in nil-paid Rights Shares	Wednesday, 29 April
Original counter for trading in the Adjusted Shares in board lot of 10,000 Adjusted Shares (in the form of new share certificates) re-opens	9:00 a.m. on Thursday, 30 April
Parallel trading in the Adjusted Shares (in the form of new share certificates and existing share certificates) commences	9:00 a.m. on Thursday, 30 April
Designated broker starts to stand in the market to provide matching services for odd lots of the Adjusted Shares	9:00 a.m. on Thursday, 30 April
Latest time for splitting of PAL	4:30 p.m. on Monday, 4 May
Last day of dealings in nil-paid Rights Shares	Thursday, 7 May
Latest time for acceptance of and payment for the Rights Issue	4:00 p.m. on Tuesday, 12 May
Announcement of the number of Unsubscribed Rights Shares and the ES Unsold Rights Shares subject to the Compensatory Arrangements	Monday, 18 May
Commencement of placing of Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent	Tuesday, 19 May
Designated broker ceases to stand in the market to provide matching services for odd lots of the Adjusted Shares	4:00 p.m. on Thursday, 21 May

Temporary counter for trading in the Adjusted Shares in board lots of 250 Adjusted Shares (in the form of existing share certificates) closes	4:10 p.m. on Thursday, 21 May
Parallel trading in the Adjusted Shares (in the form of new share certificates and existing share certificates) ends	4:10 p.m. on Thursday, 21 May
Latest time of placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent	4:00 p.m. on Friday, 22 May
Latest time for the Rights Issue and placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares to become unconditional	4:00 p.m. on Friday, 22 May
Last day for free exchange of existing share certificates of Existing Shares for new share certificates of Adjusted Shares	Tuesday, 26 May
Announcement of results of the Rights Issue (including results of the placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares and the amount of the Net Gain per Unsubscribed Rights Share and per ES Unsold Rights Share under the Compensatory Arrangements)	Thursday, 28 May
Despatch of share certificates for the Rights Shares and refund cheques (if the Rights Issue is terminated)	Friday, 29 May
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Monday, 1 June
Payment of Net Gain to relevant No Action Shareholders or Excluded Shareholders	Tuesday, 9 June

All times and dates stated above refer to Hong Kong local times and dates.

The expected timetable for the Capital Reorganisation and the Rights Issue set out above and all dates and deadlines specified in this circular are indicative only and may be varied. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

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

The Latest Time for Acceptance will not take place as scheduled if:

1. there is a tropical cyclone warning signal no. 8 or above, a black rainstorm warning signal and/or "extreme conditions" as announced by the government of Hong Kong:

   (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 section headed "EXPECTED TIMETABLE" in this circular may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the excepted timetable as soon as practicable.

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

"Adjusted Share(s)"	the ordinary share(s) of par value of HK$0.01 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective
"Announcement"	the announcement of the Company dated 6 February 2026 in relation to, among other matters, the Capital Reorganisation, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder
"associate(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Board"	the board of Directors
"Business Day(s)"	a day (excluding Saturday and Sunday and any day on which "extreme conditions" caused by super typhoons is announced by the Government of Hong Kong or 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 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 general business
"Bye-Laws"	the bye-laws of the Company as amended from time to time
"Capital Reduction"	the proposed reduction of the issued share capital of the Company by reducing the par value of each issued Consolidated Share from HK$0.40 to HK$0.01 by cancelling the paid-up share capital to the extent of HK$0.39 on each issued Consolidated Share and the cancellation of any fractional Consolidated Shares in the issued share capital of the Company arising from the Share Consolidation immediately after the Share Consolidation
"Capital Reorganisation"	the proposed capital reorganisation of the share capital of the Company involving (i) the Share Consolidation, (ii) the Capital Reduction, (iii) the Sub-division, (iv) the Share Premium Reduction, and (v) the transfer of all the credits arising from the Capital Reduction and Share Premium Reduction to the contributed surplus account of the Company within the meaning of the Companies Act which will be applied to reduce the accumulated losses of the Company and be applied by the Board in a manner in accordance with the Bye-Laws and all applicable laws of Bermuda from time to time without further authorisation from the Shareholders

"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCASS Operational Procedures"	the operational procedures of the HKSCC, containing the practices, procedures and administrative or other requirements relating to the operations and functions of CCASS, as from time to time in force
"Companies Act"	the Companies Act 1981 of Bermuda, as amended, supplemented or otherwise modified from time to time
"Company"	WLS Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued Shares of which are listed on GEM of the Stock Exchange (stock code: 8021)
"Company (WUMP) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
"Compensatory Arrangements"	placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent on a best effort basis pursuant to the Placing Agreement in accordance with Rule 10.26(2) of the GEM Listing Rules
"connected person(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Consolidated Share(s)"	the ordinary share(s) of par value of HK$0.40 each in the share capital of the Company immediately after the Share Consolidation but prior to the Capital Reduction and the Sub-division
"controlling shareholder(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Director(s)"	the director(s) of the Company
"ES Unsold Rights Share(s)"	the Rights Share(s) which would otherwise has/have been provisionally allotted to the Excluded Shareholder(s) in nil-paid form that has/have not been sold by the Company
"Excluded Shareholder(s)"	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Shares to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
"Existing Share(s)"	the ordinary share(s) of HK$0.01 each in the share capital of the Company prior to the Capital Reorganisation becoming effective

"GEM"	GEM of the Stock Exchange
"GEM Listing Committee"	has the same meaning ascribed to it under the GEM Listing Rules
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"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"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	the 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, which has been established under the GEM Listing Rules to advise the Independent Shareholders in respect of the Rights Issue
"Independent Financial Adviser" or "Vinco Financial"	Vinco Financial Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed and approved by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Rights Issue, and as to voting action therefor
"Independent Shareholder(s)"	any Shareholder(s) who are not required to abstain from voting at the SGM under the GEM Listing Rules
"Independent Third Party(ies)"	person(s) who is(are) third party(ies) independent of the Company and connected persons of the Company
"Last Trading Day"	5 February 2026, being the last trading day of the Shares on the Stock Exchange immediately before the release of the Announcement
"Latest Placing Date"	22 May 2026 or such later date as the Company and the Placing Agent may agree in writing, being the latest date for the Placing Agent to place the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares

"Latest Placing Time"	4:00 p.m. on the Latest Placing Date
"Latest Practicable Date"	17 March 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
"Latest Time for Acceptance"	4:00 p.m. on Tuesday, 12 May 2026, (or such other time and date as may be determined by the Company), being the latest time for the acceptance of, and payment for, the Rights Shares
"Long Stop Date"	22 May 2026 or such later date as may be agreed between the Placing Agent and the Company in writing
"Net Gain"	the aggregate of any premiums (being the aggregate amount paid by the Placees) after deducting the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares and the ES Unsold Rights Shares placed by the Placing Agents under the Placing Agreement
"No Action Shareholders"	Qualifying Shareholder(s) or renouncee(s) or transferee(s) of nil-paid rights under PAL(s) during the Rights Issue who do not subscribe for the Rights Shares (whether partially or fully) under the PAL(s), or such persons who hold any nil-paid rights at the time such nil-paid rights lapse
"Overseas Letter"	a letter from the Company to the Excluded Shareholders explaining the circumstances in which the Excluded Shareholders are not permitted to participate in the Rights Issue
"Overseas Shareholder(s)"	Shareholder(s) with registered address(es) (as shown on the register of members of the Company on the Record Date) which is(are) outside Hong Kong
"PAL(s)"	the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
"Placee(s)"	any individuals, corporate, institutional investor(s) or other investor(s), who and whose ultimate beneficial owner(s) shall not be the Shareholder(s) and shall be the Independent Third Party(ies), procured by the Placing Agent and/or its sub-placing agent(s), who and whose ultimate beneficial owners shall not be the Shareholder(s) and shall be the Independent Third Party(ies), to subscribe for any of the Unsubscribed Rights Shares and the ES Unsold Rights Shares pursuant to the Placing Agreement

"Placing"	the offer by way of private placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent and/or its subplacing agents(s), who and whose ultimate beneficial owners shall not be the Shareholder(s) and shall be the Independent Third Party(ies), to the Placee(s) during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement
"Placing Agent"	Suncorp Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO, being the placing agent appointed by the Company to place any Unsubscribed Rights Shares and the ES Unsold Rights Shares under the Compensatory Arrangements in accordance with Rule 10.26(2) of the GEM Listing Rules
"Placing Agreement"	the placing agreement dated 6 February 2026 and entered into between the Company and the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares to the Placee(s) on a best effort basis
"Placing Arrangement"	the placing arrangement for the Unsubscribed Rights Shares and the ES Unsold Rights Shares as described in the section headed "The Placing Agreement" in this circular
"Placing Period"	a period commencing from the second Business Day after the date of announcement of the number of Unsubscribed Rights Shares and the ES Unsold Rights Shares, which is expected to be Tuesday, 19 May 2026, and ending at the Latest Placing Time
"Placing Shares"	the Unsubscribed Rights Shares and the ES Unsold Rights Shares to be placed by the Placing Agent on a best effort basis pursuant to the terms and conditions of the Placing Agreement
"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 to the Shareholders containing details of the Rights Issue
"Prospectus Documents"	the Prospectus and PAL
"Prospectus Posting Date"	Monday, 27 April 2026 or such other date as the Company may determine, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders and the Prospectus for information only to the Excluded Shareholders

"Qualifying Shareholder(s)"	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Excluded Shareholder(s)
"Record Date"	Friday, 24 April 2026 or such other date as may be determined by the Company, being the date for determining entitlements of Shareholders to participate in the Rights Issue
"Registrar"	the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
"Rights Issue"	the proposed issue of the Rights Shares by way of rights on the basis of one (1) Rights Share for every one (1) Adjusted Share held by the Qualifying Shareholders on the Record Date at the Subscription Price pursuant to the Prospectus Documents
"Rights Shares(s)"	up to 359,177,526 Adjusted Shares to be allotted and issued by the Company to the Qualifying Shareholders pursuant to the Rights Issue, assuming no change in the number of Shares in issue on or before the Record Date
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company to be convened to consider, and if thought fit, to approve the Capital Reorganisation, the Rights Issue, the Placing and the transactions contemplated thereunder
"Share(s)"	the Existing Share(s), the Consolidated Share(s), the Adjusted Share(s) and/or the Rights Share(s), as the case may be
"Share Consolidation"	the proposed consolidation of every forty (40) Existing Shares of par value of HK$0.01 each into one (1) Consolidated Share of par value of HK$0.40 each in the share capital of the Company
"Share Premium Account"	the share premium account of the Company
"Share Premium Reduction"	the proposed reduction of the entire amount standing to the credit of the Share Premium Account of the Company to nil
"Shareholder(s)"	holder(s) of the Share(s)

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Sub-division"	the sub-division of each authorised but unissued Consolidated Share of par value HK$0.40 each into forty (40) authorised and unissued Adjusted Shares of par value of HK$0.01 each
"Subscription Price"	HK$0.24 per Rights Share
"Substantial Shareholder(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Takeovers Code"	The Hong Kong Code on Takeovers and Mergers
"Unsubscribed Rights Shares"	Rights Shares that are not subscribed by the Qualifying Shareholders
"%	per cent

Certain figures set out in this circular have been subject to rounding adjustments. Accordingly, figures shown as the percentage equivalents may not be an arithmetic sum of such figures. Any discrepancy in any table between totals and sums of amounts listed in this circular is due to rounding.

WLS Holdings Limited
滙隆控股有限公司*

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 8021)

Executive Directors:
Mr. Li Zhenxing
Mr. Ma Pun Fai

Independent non-executive Directors:
Mr. Lo Ka Ki
Ms. Gong Qiuyun
Ms. Chan Ka Yee

Registered office:
Victoria Place, 5th Floor,
31 Victoria Street,
Hamilton HM 11, Bermuda

Principal place of business:
Rooms 1001-1006,
10th Floor, Tower A, Southmark,
No. 11 Yip Hing Street,
Wong Chuk Hang, Aberdeen,
Hong Kong

20 March 2026

To: the Qualifying Shareholders and, for information purpose only, the Excluded Shareholders

Dear Sir or Madam,

(1) PROPOSED CAPITAL REORGANISATION; AND (2) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) ADJUSTED SHARE HELD AT THE CLOSE OF BUSINESS ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS; AND (3) NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

References are made to the Announcement in relation to, among other matters, the Capital Reorganisation, 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 Capital Reorganisation and the Rights Issue and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Rights Issue 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 relation to the Rights Issue and the transactions contemplated thereunder; (iv) other information required under the GEM Listing Rules; and (v) a notice convening the SGM.

PROPOSED CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation in the following manner:

(i) the Share Consolidation on the basis that every forty (40) issued and unissued Existing Shares of par value of HK$0.01 each will be consolidated into one (1) Consolidated Share of par value of HK$0.40 each (any fraction in the issued share capital of the Company which may arise from the Share Consolidation will be cancelled);

(ii) immediately following the Share Consolidation becoming effective, the Capital Reduction whereby the issued share capital of the Company will be reduced by (a) rounding down the total number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by eliminating any fraction of a Consolidated Share in the issued share capital of the Company; and (b) cancelling the paid-up share capital of the Company to the extent of HK$0.39 on each of the then issued Consolidated Share such that the par value of each issued Consolidated Share will be reduced from HK$0.40 to HK$0.01;

(iii) immediately following the Share Consolidation becoming effective, the Sub-division whereby each authorised but unissued Consolidated Share will be sub-divided into forty (40) Adjusted Shares of HK$0.01 each so that immediately following the Capital Reorganisation, the authorised share capital of the Company shall be HK$400,000,000 divided into 40,000,000,000 Adjusted Shares;

(iv) immediately following the Capital Reduction and Sub-division becoming effective, the Share Premium Reduction whereby the entire amount standing to the credit of the Share Premium Account will be reduced to nil; and

(v) immediately following the Share Premium Reduction becoming effective, the transfer of all the credits arising from the Capital Reduction and the Share Premium Reduction of approximately HK$700.31 million (being HK$140.08 million from the Capital Reduction and approximately HK$560.23 million from the Share Premium Reduction) to the contributed surplus account of the Company within the meaning of the Companies Act be applied in full to set off the accumulated losses of the Company or be applied by the Board in a manner as permitted by the Bye-Laws and all applicable laws of Bermuda from time to time without further authorisation from the Shareholders.

Effects of the Capital Reorganisation

As at the Latest Practicable Date, the authorised share capital of the Company is HK$400,000,000.00 divided into 40,000,000,000 Existing Shares of par value of HK$0.01 each, and there are 14,367,101,072 Existing Shares in issue which are fully paid or credited as fully paid. Upon the Share Consolidation becoming

effective and on the basis that no further Shares will be allotted, issued or repurchased prior thereto, the issued share capital of the Company will be HK$143,671,010.72 divided into 359,177,526 Consolidated Shares of par value of HK$0.40 each.

Any fractional Consolidated Share to which an individual Shareholder is entitled to will not be issued by the Company to such Shareholder, but will be aggregated, sold and retained for the benefit of the Company. Any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation shall be cancelled.

Shareholders concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling Existing Shares in a number sufficient to make up an entitlement to receive a whole number of Adjusted Shares.

Upon the Capital Reduction becoming effective, the par value of all the issued Consolidated Shares shall be reduced from HK$0.40 each to HK$0.01 each by cancelling the paid-up share capital to the extent of HK$0.39 per Consolidated Share in issue, and any fractional Consolidated Shares in the issued share capital of the Company arising from the Share Consolidation will be cancelled.

Upon the Sub-division becoming effective, each of the authorised but unissued Consolidated Shares of par value of HK$0.40 each will be subdivided into forty (40) authorised but unissued Adjusted Shares of par value of HK$0.01 each.

The Adjusted Shares will rank *pari passu* in all respects with each other in accordance with the Bye-Laws. The issued share capital will be reduced to HK$3,591,775.26 divided into 359,177,526 Adjusted Shares of par value of HK$0.01 each.

Based on 14,367,101,072 Existing Shares in issue as at the Latest Practicable Date, a credit of approximately HK$140.08 million will arise as a result of the Capital Reduction becoming effective after the Capital Reorganisation. As at the Latest Practicable Date, the Company has a credit balance of approximately HK$560.23 million standing in the Share Premium Account. The credits arising from the Capital Reduction and the Share Premium Reduction will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act and be applied in full to set off the accumulated losses of the Company or be applied by the Board in a manner as permitted by the Bye-Laws and all applicable laws of Bermuda from time to time without further authorisation from the Shareholders.

Other than the relevant expenses incurred and to be incurred, the implementation of the Capital Reorganisation will have no effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management of financial position of the Company.

The Capital Reorganisation will not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any unpaid capital of the Company nor will it result in any change in the relative rights of the Shareholders.

The following table sets out the effect of the Capital Reorganisation on the share capital of the Company before and after the implementation of the Capital Reorganisation, assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date until the effective date of the Capital Reorganisation.

	As at the Latest Practicable Date	**Immediately after the Share Consolidation becoming effective**	**Immediately after the Capital Reorganisation becoming effective**
Par value per Share	HK$0.01 per Existing Share	HK$0.40 per Consolidated Share	HK$0.01 per Adjusted Share
Authorised share capital			
Authorised share capital	HK$400,000,000	HK$400,000,000	HK$400,000,000
Number of authorised shares	40,000,000,000 Existing Shares	1,000,000,000 Consolidated Shares	40,000,000,000 Adjusted Shares
Issued share capital			
Amount of issued share capital	HK$143,671,010.72	HK$143,671,010.72	HK$3,591,775.26
Number of issued Shares	14,367,101,072 Existing Shares	359,177,526 Consolidated Shares	359,177,526 Adjusted Shares
Unissued share capital			
Amount of unissued share capital	HK$256,328,989.28	HK$256,328,989.28	HK$396,408,224.74
Number of unissued Shares	25,632,898,928 Existing Shares	640,822,474 Consolidated Shares	39,640,822,474 Adjusted Shares

Note: The above share capital structure of the Company is for illustration purpose only.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon:

(i) the passing of the necessary resolution(s) to approve the Capital Reorganisation by the Shareholders at the SGM;

(ii) the relevant filings with the Registrar of Companies in Bermuda having been made after the passing of the resolution(s) at the SGM;

(iii) the Stock Exchange granting the listing of, and permission to deal in, the Adjusted Shares arising from the Capital Reorganisation;

(iv) the compliance with the relevant procedures and requirements under the Bye-Laws and the laws of Bermuda to effect the Capital Reorganisation, which include the Directors being satisfied that on the date the Capital Reorganisation is to take effect, there are no reasonable grounds for believing that the Company is, or after the Capital Reorganisation would be, unable to pay its liabilities as they become due, and the GEM Listing Rules to effect the Capital Reorganisation; and

(v) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

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

Application for listing and dealings

Application will be made to the GEM Listing Committee for the granting of the listing of, and permission to deal in, the Adjusted Shares arising from the Capital Reorganisation.

Subject to the granting of the listing of, and permission to deal in, the Adjusted Shares on the Stock Exchange, the Adjusted Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Adjusted Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Adjusted Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Capital Reorganisation becomes effective, the Adjusted Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Status of the Adjusted Shares

The Adjusted Shares will be identical in all respects and rank *pari passu* with the then Adjusted Shares in issue in all respects. All necessary arrangements will be made for the Adjusted Shares to be admitted into CCASS.

Fractional entitlement to Adjusted Shares

Any fractional Adjusted Share arising from the Capital Reorganisation, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Adjusted Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Adjusted Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Odd lots arrangements and matching services

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

Holders of odd lots of the Adjusted Shares should note that the matching of the sale and purchase of odd lots of the Adjusted Shares is not guaranteed. Any Shareholder who is in any doubt about the odd lots arrangements is recommended to consult his/her/its own professional advisers.

Free exchange of share certificates for the Adjusted Shares

Subject to the Capital Reorganisation having become effective, Shareholders may, during the specified period from Thursday, 16 April 2026 to Tuesday, 26 May 2026 (both days inclusive), submit the existing share certificates for the Existing Shares to the Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong to exchange, at the expense of the Company, for new share certificates for the Adjusted Shares (in green colour) (on the basis of forty (40) Existing Shares for one (1) Adjusted Share).

After the aforementioned free exchange period, existing share certificates for Existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for Adjusted Shares at the expense of the Shareholders on payment of a fee of HK$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each existing share certificate cancelled or each new share certificate issued for Adjusted Shares (whichever is higher) but are not acceptable for trading, settlement and registration purposes.

After 4:10 p.m. on Thursday, 21 May 2026, trading will only be in Adjusted Shares which share certificates will be issued in green colour. Existing share certificates in yellow colour for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

REASONS FOR THE CAPITAL REORGANISATION

According to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK$0.01 or HK$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities.

According to the "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated in September 2024, (i) any trading price less than HK$0.10 will be considered as approaching the extremities of HK$0.01; and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK$2,000.

As at the Latest Practicable Date, the closing price per Existing Share of the Company is HK$0.01, and with the board lot size of 10,000 Existing Shares, the existing board lot value is only HK$100, which was less than HK$2,000. The Existing Share prices have been constantly traded below HK$0.10 and the value of each board lot has remained below HK$2,000 for the past five years.

In view of the prolonged period of share prices approaching extremity, the Directors consider that the proposed Share Consolidation will bring about a corresponding upward adjustment in the expected value per board lot, resulting in the theoretical closing price of HK$0.40 per Adjusted Share and the expected market value of each board lot of HK$4,000 (based on the current closing price of HK$0.01 per Existing Share as at the Latest Practicable Date) and will enable the Company to comply with the trading requirements under the GEM Listing Rules and reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction cost for each securities trade.

Upon the Share Consolidation becoming effective but before implementation of the Capital Reduction, the par value of the Existing Shares will be consolidated from HK$0.01 into HK$0.40 per Consolidated Share.

Meanwhile, the Capital Reorganisation also involves the Capital Reduction which will reduce the par value of the issued Consolidated Shares from HK$0.40 per Consolidated Share to HK$0.01 per Adjusted Share. Under the laws of Bermuda, the Company is restricted in its ability to issue Shares at a price lower than their par value. Accordingly, the Capital Reduction will allow greater flexibility in the pricing for any issue of new Shares in the future.

Further, the credit in the contributed surplus account arising from the Capital Reorganisation will enable the Company to reduce its accumulated losses. As such, the Board proposes to implement the Capital Reorganisation.

The Board considers that (i) the Share Consolidation will reduce the overall transaction and handling costs of dealings in the Existing Share as a proportion of the market value of each board lot, since most of the banks/securities houses will charge minimum transaction costs for each securities transaction and enable the Company to meet compliance requirement as well as to maintain the value of each board lot at a reasonable level; (ii) the Capital Reduction will reduce the par value of the Consolidated Shares, which will provide the Company with greater flexibility in possible fundraisings in the future; and (iii) the credits in the contributed surplus account of the Company arising from the Capital Reduction and the Share Premium Reduction, which will enable the Company to set off against its accumulated losses (if any) in full or by the amount of such credits and may facilitate or be applied in any future distribution to the Shareholders or be applied in any other manner as the Board may deem fit as may be permitted under all applicable laws and the Bye-Laws. As at the Latest Practicable Date, the Company has no intention to carry out other corporate action in the next twelve months which may have an effect of undermining or negating the intended purpose of the Capital Reorganisation.

The Capital Reorganisation will not have any material adverse effect on the financial position of the Company nor result in change in the relative rights of the Shareholders and are in the interests of the Company and the Shareholders as a whole.

Shareholders and potential investors of the Company should note that the Capital Reorganisation is conditional upon satisfaction of conditions set out in the paragraph headed "Proposed Capital Reorganisation – Conditions of the Capital Reorganisation" in this circular. Therefore, the Capital Reorganisation may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Existing Shares, the Consolidated Shares, the Adjusted Shares and/or nil-paid Rights Shares of the Company. If they are in any doubt about their position, they should consult their professional advisers.

PROPOSED RIGHTS ISSUE

The Board proposes, subject to the Capital Reorganisation becoming effective, to conduct the Rights Issue on the basis of one (1) Rights Share for every one (1) Adjusted Share held by the Qualifying Shareholders as at the Record Date. Set out below are the details of the Rights Issue statistics.

Rights Issue statistics

Basis of the Rights Issue	:	one (1) Rights Share for every one (1) Adjusted Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK$0.24 per Rights Share
Net price per Right Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	approximately HK$0.2316 per Rights Share (on the basis that all the Rights Shares will be taken up)
Number of Existing Shares in issue as at the Latest Practicable Date	:	14,367,101,072 Existing Shares
Number of Adjusted Shares in issue upon the Capital Reorganisation becoming effective	:	359,177,526 Adjusted Shares (assuming no change in the number of Shares in issue up to the effective date of the Capital Reorganisation)
Number of Rights Shares	:	up to 359,177,526 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation)
Number of Shares in issue upon completion of the Rights Issue	:	Up to 718,355,052 Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation)
Gross proceeds from the Rights Issue	:	Approximately HK$86.2 million before deducting the expenses (assuming full subscription under the Rights Issue and assuming no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation)

Net proceeds from the Rights Issue	:	Approximately HK$83.2 million after deducting the expenses (assuming full subscription under the Rights Issue and assuming no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation)
Rights of excess application and underwriter	:	There will be no excess application arrangements in relation to the Rights Issue and the Rights Issue is not underwritten
Compensatory Arrangements	:	Any Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed to independent Placees on a best effort basis under the Compensatory Arrangements. Any Unsubscribed Rights Shares or ES Unsold Rights Shares which remain unplaced under the Compensatory Arrangement in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly

As at the Latest Practicable Date, Company has no outstanding derivatives, convertible securities, options, warrants or other similar securities in issue which would otherwise confer any right to subscribe for, convert or exchange into Shares. The Company has no intention to issue or grant any Shares, convertible securities and/or options on or before the Record Date.

Assuming no change in the number of Shares in issue on or before the Record Date, other than from the Capital Reorganisation becoming effective, the aggregate 359,177,526 Rights Shares to be issued pursuant to the terms of the Rights Issue represent 100% of the total number of issued Adjusted Shares upon the Capital Reorganisation becoming effective and approximately 50% of the total number of issued Adjusted Shares as enlarged by the issue of the Rights Shares (assuming full acceptance by the Qualifying Shareholders).

Non-underwritten basis

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

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured

entitlement under the Rights Issue will be scaled down to a level which 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.

The Subscription Price

The Subscription Price is HK$0.24 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, when a renouncee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

(i) a discount of approximately 40.0% to the adjusted closing price of HK$0.400 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the closing price of HK$0.010 per Existing Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 40.0% to the adjusted closing price of HK$0.400 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the closing price of HK$0.010 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 41.2% to the adjusted average closing price of HK$0.408 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the average closing price of HK$0.0102 per Existing Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;

(iv) a discount of approximately 41.2% to the adjusted average closing price of HK$0.408 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the average closing price of approximately HK$0.0102 per Existing Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;

(v) a discount of approximately 25.9% to the theoretical ex-rights price of approximately HK$0.324 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the closing price of HK$0.010 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;

(vi) a discount of approximately 77.1% to the net asset value of the Company of approximately HK$1.05 per Adjusted Share based on the audited net asset value attributable to owners of the Company of approximately HK$377.5 million as at 30 April 2025 and 359,177,526 Adjusted Shares in issue after adjusted for the effect of the Capital Reorganisation;

(vii) a discount of approximately 81.0% to the net asset value of the Company of approximately HK$1.26 per Adjusted Share based on the unaudited net asset value attributable to owners of the Company of approximately HK$453.7 million as at 31 October 2025 and 359,177,526 Adjusted Shares in issue after adjusted for the effect of the Capital Reorganisation; and

(viii) theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 20.6%, represented by the theoretical diluted price of HK$0.324 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) to the benchmarked price of approximately HK$0.408 per Adjusted share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the higher of (i) the adjusted closing price of the Adjusted Shares as quoted on the Stock Exchange on the Last Trading Day and (ii) the adjusted average closing price of the five (5) previous consecutive trading days prior to the date of the Announcement and taking into account the effect of the Capital Reorganisation).

The Subscription Price was determined by the Company with reference to, among other things, (i) the prevailing market price of the Existing Shares; (ii) the low liquidity of the Existing Shares; (iii) the latest business performance and financial position of the Group; and (iv) the reasons for and benefits of the proposed Rights Issue as discussed in the section headed "Reasons for the Rights Issue, the Placing and Use of Proceeds". All Qualifying Shareholders are entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its existing shareholding in the Company held on the Record Date so as to maintain their proportionate interests in the Company and participate in the future growth of the Group.

The public float requirements under the GEM Listing Rules shall be fulfilled by the Company at all times. The Company will take all appropriate steps to ensure that sufficient public float be maintained at all times in compliance with Rule 17.37B of the GEM Listing Rules.

The Directors (excluding the members of the Independent Board Committee whose opinion will be provided after taking into account the advice of the independent financial adviser) consider that, despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the terms and structure of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue are able to sell the nil paid rights in the market; (ii) the Qualifying Shareholders who choose to accept their provisional entitlements in full can maintain their respective existing shareholding interests in the Company after the Rights Issue; (iii) the Rights Issue allows the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the recent market price of the Shares; and (iv) the discount of the Subscription Price to the current market price (taking into account the effect of the Capital Reorganisation) will encourage them to participate in the Rights Issue.

Qualifying Shareholders who do not take up 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. The possible maximum dilution to shareholdings of those Qualifying Shareholders who do not subscribe to the Rights Issue is approximately 50%. The theoretical dilution effect of the Rights Issue is approximately 20.6% which is below 25% as required under Rule 10.44A of the GEM Listing Rules.

Conditions of the Rights Issue

The Rights Issue is conditional upon each of the following conditions being fulfilled:

(i) the Capital Reorganisation having become effective;

(ii) the passing by more than 50% of the votes cast by the Independent Shareholders by way of poll of all necessary resolutions to be proposed at the SGM for the transactions contemplated under the Rights Issue to be effective in compliance with the GEM Listing Rules, including but not limited to approving, confirming and/or ratifying the Rights Issue, including the allotment and issue of the Rights Shares in their nil-paid and fully-paid forms;

(iii) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect;

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

(v) the electronic delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively, 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 resolutions of the Directors (and all other documents required to be attached thereto) in compliance with the Companies (WUMP) Ordinance, the Companies Ordinance and the GEM Listing Rules by no later than the Prospectus Posting Date;

(vi) the delivery of the Prospectus Documents to the Stock Exchange and the issue by the Stock Exchange on or before the Prospectus Posting Date of a certificate authorising registration of the Prospectus Documents with the Registrar of Companies in Hong Kong;

(vii) following registration, the posting of the Prospectus Documents to Qualifying Shareholders, the posting of the Prospectus and the Overseas 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, and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Prospectus Posting Date; and

(viii) all other necessary waivers, consent and approvals (if required) from the relevant regulatory authorities for the Rights Issue and the transaction contemplated thereunder having been obtained and fulfilled.

None of the above conditions precedent can be waived. If any of the above conditions are not satisfied at or before 4:00 p.m. on Friday, 22 May 2026 (or such later date as the Company may determine), the Rights Issue will not proceed. As at the Latest Practicable Date, none of the conditions above is satisfied.

As the proposed Rights Issue is subject to the above conditions, it may or may not proceed.

Basis of provisional allotments

The basis of the provisional allotment shall be one (1) Rights Shares (in nil-paid form) for every one (1) Adjusted Share held by the Qualifying Shareholders as at close of business on the Record Date. There will be no excess application arrangements in relation to the Rights Issue.

The PAL relating to the Rights Shares in printed form will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be an Excluded Shareholder.

In order to be registered as members of the Company at the close of business on the Record Date, a Shareholder must lodge the relevant transfer(s) of Share(s) (together with the relevant share certificates) with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Monday, 20 April 2026.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company.

Shareholders with their Shares held by a nominee (or held in CCASS) 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. For investors whose Shares are held by a nominee (or held in CCASS) and would like to have their names registered on the register of members of the Company, they must lodge all necessary documents with the Registrar at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Monday, 20 April 2026.

The Qualifying Shareholders who take up their pro-rata entitlement in full will not experience 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.**

Rights of Overseas Shareholders (if any)

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

The Company will comply with Rule 17.41(1) of the GEM Listing Rules and make enquiries regarding the feasibility of extending the offer of the Rights Shares to Overseas Shareholders, if any. If, based on the legal opinions 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 place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s), the Rights Issue will not be extended to such Overseas Shareholders. The basis for excluding such Excluded Shareholders, if any, from the Rights Issue will be set out in the Prospectus to be issued.

The Company will send the Prospectus to the Excluded Shareholders (if any) for their information only, but will not send any PAL to them.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders, to be sold in the market in their nil-paid form during the period from Wednesday, 29 April 2026 to Thursday, 7 May 2026 if a premium (net of expenses) can be obtained. The proceeds from such sale, less expenses and stamp duty, of more than HK$100 will be paid on pro-rata basis to the relevant Excluded Shareholders.

In view of administrative costs, the Company will retain individual amounts of HK$100 or less for its own benefit.

Any unsold Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form, will be placed by the Placing Agent at the price at least equal to the Subscription Price under the Placing Arrangement together with the Unsubscribed Rights Shares. Any Unsubscribed Rights Shares and the ES Unsold Rights Shares remain unplaced after completion of the Placing Arrangement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. For the nil-paid Rights Shares that were sold as described above and the buyer of such nil-paid Rights Shares who will not take up the entitlement, such Unsubscribed Rights Shares will be subject to the Compensatory Arrangements.

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 securities of the Company.

The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their own professional advisers.

Status of the Rights Shares

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

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.

Fractions of the Rights Shares

On the basis of provisional allotment of one (1) Rights Share for every one (1) Adjusted Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

Closure of register of members

The register of members of the Company will be closed from Tuesday, 21 April 2026 to Friday, 24 April 2026 (both dates inclusive) for determining the entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

Arrangement on odd lot trading

Upon completion of the Rights Issue, the board lots of the Company will remain as 10,000 Shares. In order to facilitate the trading of odd lots (if any) of the Shares as a result of the Rights Issue, the Company will appoint a securities firm to provide matching services, on a best effort basis, to those Shareholders who wish to top up or sell their holdings of odd lots of the Shares. Further details in respect of the arrangement of odd lot trading will be set out in the Prospectus.

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

To alleviate the difficulties in trading odd lots of the Shares arising from the Rights Issue, the Company will appoint a securities firm to provide matching services to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Thursday, 30 April 2026 to 4:00 p.m. on Thursday, 21 May 2026 (both dates inclusive). Holders of the Shares in odd who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full new board lot may directly or through their broker during such period. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

Procedures in respect of the Unsubscribed Rights Shares and the ES 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 the Unsubscribed Rights Shares and the ES Unsold Rights Shares by offering the Unsubscribed Rights Shares and the ES Unsold Rights Shares to independent Placees for the benefit of the Shareholders to whom they were offered by way of the rights. There will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 10.31(1)(a) of the GEM Listing Rules.

The Company therefore appointed the Placing Agent to place the Unsubscribed Rights Shares and the ES Unsold Rights Shares after the Latest Time for Acceptance to independent Placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to the No Action Shareholders and Excluded Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Friday, 22 May 2026, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the ES Unsold Rights Shares at a price not less than the Subscription Price.

Net Gain (if any) will be paid (without interest) on pro-rata basis (on the basis of all Unsubscribed Rights Shares and ES Unsold Rights Shares) to the No Action Shareholders and the Excluded Shareholders (but rounded down to the nearest cent) as set out below:

(i) 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 (unless that person is covered by (iii) below), by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for;

(ii) 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 (unless that person is covered by (iii) below), by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for;

(iii) if the Rights Issue is extended to the Overseas Shareholders (if any) and where an entitlement to the Rights Shares was not taken up by such Overseas Shareholders, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for. But for those Excluded Shareholders, by reference to their shareholdings in the Company on the Record Date.

It is proposed that Net Gain to any of the No Action Shareholder(s) or Excluded Shareholder(s) mentioned in (i) to (iii) above which is in an amount of HK$100 or more will be paid to them in Hong Kong Dollars only and the Company will retain individual amounts of less than HK$100 for its own benefit. No Action Shareholders and the Excluded Shareholders may or may not receive any Net Gain.

THE PLACING AGREEMENT

On 6 February 2026 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure the Placee(s), on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares. Details of the Placing Agreement are as follows:

Date	:	6 February 2026 (after trading hours)
Issuer	:	the Company

Placing Agent	:	Suncorp Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO, was appointed as the Placing Agent to procure, on a best effort basis, the Placees to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares during the Placing Period. The Placing Agent confirmed that it and its ultimate beneficial owner(s) are Independent Third Parties.
Placing Period	:	The period commencing from Tuesday, 19 May 2026 and end at 4:00 p.m. on Friday, 22 May 2026.
Placing price of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares (as the case maybe)	:	The placing price of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares shall be not less than the Subscription Price. The final price determination depends on the demand and market conditions of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares during the process of placement.
Commission	:	2.5% of the amount which is equal to the Placing price multiplied by the Unsubscribed Rights Shares and ES Unsold Rights Shares that have been successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement. The commission is not payable by the Company to the Placing Agent if the Placing Agreement has not become unconditional or is otherwise terminated in accordance with its terms.
Placees	:	The Unsubscribed Rights Shares and the ES Unsold Rights Shares are expected to be placed to the Placee(s) who and whose ultimate beneficial owner(s) shall not be the Shareholder(s) and shall be the Independent Third Party(ies). The Placing Agent will use its best endeavour to procure that (i) the Placing will not have any implications under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and (ii) the Company will continue to comply with the public float requirement under Rule 17.37B of the GEM Listing Rules upon completion of the Placing and the Rights Issue.
Ranking of Unsubscribed Rights Shares and the ES Unsold Rights Shares	:	Unsubscribed Rights Shares and the ES Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves and with the Shares then in issue.

Conditions Precedent : The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled (or being waived by the Placing Agent in writing, if applicable):

(i) the passing by the Shareholders (including the Independent Shareholders) at the SGM of the necessary resolutions to approve the Capital Reorganisation and the Rights Issue;

(ii) the GEM Listing Committee of the Stock Exchange having granted the listing of, and the permission to deal in, the Rights Shares;

(iii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and

(iv) the Placing Agreement not having been terminated in accordance with the provisions thereof. The Placing Agent may, in its absolute discretion, waive the fulfillment of all or any or any part of the conditions precedent to the Placing Agreement (other than those set out in paragraph (ii) above) by notice in writing to the Company.

Termination : The Placing Arrangement shall end on Friday, 22 May 2026 or any other date by mutual written agreement between the Placing Agent and the Company.

The engagement of the Placing Agent may also be terminated by Placing Agent in case of force majeure resulting in the Company and the Placing Agent being unable to fulfill its duties and responsibilities under the engagement. However, if during the course of the engagement it has come to the Placing Agent's knowledge that there is any material adverse change in the business and operational environment in the Company which, in the sole opinion of the Placing Agent, may make it inadvisable to continue the engagement, the Placing Agent shall have the right to terminate the engagement by written notice to the Company with immediate effect.

Placing Completion	:	Completion is expected to take place within six Business Days after publication of an announcement by the Company of the number of the Unsubscribed Rights Shares and the ES Unsold Rights Shares under the Compensatory Arrangements and upon fulfilment or waiver (as the case may be) of the conditions precedent to the Placing Agreement or such other date as the Company and the Placing Agent may agree in writing. The Company shall use its best endeavours to procure the fulfilment of such conditions precedent to the Placing Agreement by the Long Stop Date. If any of the conditions precedent to the Placing Agreement have not been fulfilled by the Long Stop Date or become incapable of being fulfilled (subject to the Placing Agent not exercising its rights to waive or extend the time for fulfilment of such conditions), then the Placing will lapse and all rights, obligations and liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement or antecedent breach thereof.
Public float	:	The Placing Agent shall ensure that the minimum public float requirement under the GEM Listing Rules be fulfilled by the Company upon completion of the Rights Issue.

The engagement between the Company and the Placing Agent for the Unsubscribed Rights Shares and ES Unsold Rights Shares (including the commission payable) was determined after arm's length negotiation between the Company and the Placing Agent and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market condition. The Directors consider that the terms of Placing Agreement for the Unsubscribed Rights Shares and ES Unsold Rights Shares (including the commission payable) are on normal commercial terms.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the ES Unsold Rights Shares to the Company; (ii) an additional channel of participation in the Rights Issue for independent Qualifying Shareholders; and (iii) a compensatory mechanism for No Action Shareholders and the Excluded Shareholders, the Directors consider that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company's minority Shareholders.

Application for listing of the Rights Shares

The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. The nil-paid and fully-paid Rights Shares shall have the board lot size of 10,000 Shares in one board lot. No part of the share capital of the Company is listed or dealt in and no listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

Rights Shares will be eligible for admission in CCASS

Subject to the granting of the approval for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings on the Stock Exchange or such other dates as determined by HKSCC.

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

Stamp duty and other applicable fees

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

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.

Share certificates and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted on or before Friday, 29 May 2026 to those entitled thereto at their registered addresses by ordinary post at their own risk. Each Shareholder will receive one share certificate for all allotted Rights Shares. If the Rights Issue does not become unconditional, refund cheques without interest are expected to be posted on or before Friday, 29 May 2026 by ordinary post to the respective applicants, at their own risk, to their registered addresses.

WARNING OF THE RISKS OF DEALING IN THE EXISTING SHARES, THE ADJUSTED SHARES AND/OR THE NIL-PAID RIGHTS SHARES

The Rights Issue is subject to the fulfilment of conditions 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. Please refer to the section headed "Proposed Rights Issue – Conditions of the Rights Issue" in this circular.

Shareholders and potential investors of the Company should note that each of the Rights Issue and the Placing is subject to the fulfilment of certain conditions. If any of the conditions of the Rights Issue and/or the Placing are not fulfilled, the Rights Issue and/or the Placing will not proceed.

Subject to the fulfillment 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. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Excluded Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

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

Any Shareholder or other person dealing in the Existing Shares, the Adjusted Shares and/or the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled or the Long Stop Date will accordingly bear the risk that the Rights Issue and/or the Placing may not proceed.

REASONS FOR THE RIGHTS ISSUE, THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in (i) the provision of scaffolding, fitting out and other auxiliary services for construction and buildings work; (ii) money lending business; and (iii) securities investment business.

Having reviewed the latest unaudited consolidated financial statements of the Company for the six months ended 31 October 2025, the Directors note that:

(i) for the six months ended 31 October 2025, the Group recorded negative cashflow of approximately HK$7.6 million from operating activities as compared to positive cashflow of approximately HK$2.9 million from operating activities;

(ii) as at 31 October 2025, the Group's other borrowings (including interests) was approximately HK$153.6 million as compared to approximately HK$152.6 million as at 30 April 2025;

(iii) as at 31 October 2025, the Group's bank balances and cash in general accounts amounted to approximately HK$3.9 million compared to approximately HK$15.6 million as at 30 April 2025.

Although scaffolding, fitting out and other auxiliary services for construction and buildings work have been the second largest business segment of the Group, in terms of revenue, for the year ended 30 April 2025 and the six months ended 31 October 2025, the Group recorded loss from this segment during the aforesaid periods. Currently, the Group (i) has 12 projects on hand with total contract sum of approximately HK$134.9 million of which approximately HK$96.4 million has been billed; and (ii) participates in two tenders for new projects with total estimated contract sum of approximately HK$50.0 million and the awards of which have yet to be confirmed. Based on the current budget and progress of the existing projects, the Company expects the segment to be self-financing, requiring no significant additional capital in near future. For the two new projects that are under tender, the Company does not expect significant upfront costs to be incurred in early stage except administrative expenses. Given operating and administrative expenses (which covers overall administrative costs and staff salaries of the Group) have been the largest recurring costs of the Group, the intended allocation of net proceeds to the Group's working capital would enable the Company to maintain its core function for strategic management of the Group's development.

The Company is an industry pioneer in the scaffolding industry, possessing leading technology, such as smart climbing scaffolding. The Company will continue this business segment and explore suitable technology, to improve work safety and enhance cost control. Based on the above, the Company currently has no intention to allocate any net proceeds from the Rights Issue to this business segment.

As for the money lending segment of the Group, the Group had an unaudited loan and interest receivables of approximately HK$458.23 million as at 31 October 2025 which falls due within one year. Given (i) the money lending segment was profit-making during the year ended 30 April 2025 and the six months ended 31 October 2025 and the Group is actively identifying new customers (in the 12 months prior to 31 October 2025, the Group identified ten new customers); and (ii) to support its ongoing demand for new loans, the Group has to retain capital from loan repayments, if received, upon maturity of existing loans as the Group intends to reinvest capital recovered from maturing loan. As such, the Company has no intention to change the capital scale of this business segment.

In view of the financial conditions and performance of the Group and the imminent need of capital, the Directors consider that the Rights Issue represents a good opportunity to raise capital to repay its borrowings (comprising various interest-bearing bonds) and replenish its working capital. As disclosed in the interim report of the Company for the six months ended 31 October 2025, other borrowings of the Group amounted to approximately HK$153.56 million (unaudited) as at 31 October 2025. Among these, interest-bearing bonds of the Group (with annual interest rates ranging from 6.5% to 11.0% and maturity dates falling between June 2023 and October 2025) in total amount of approximately HK$106.4 million (including interests) have already matured and fallen due as at the Latest Practicable Date. Although the Group is not aware of any enforcement actions for repayment initiated by the holders of the aforesaid matured bonds, it remains obligated to settle such outstanding amount to avoid potential legal actions and the accrual of further interests. Hence, the Company currently intends to prioritise repayment of those bonds with earlier maturity dates or higher coupon rates as soon as practicable following the completion of the Rights Issue and the Placing and after liaising with the relevant bond holders.

It is estimated that the Company will raise up to HK$86.2 million from the Rights Issue and the relevant expenses would be approximately HK$3.0 million, which includes placing commission and professional fees payable to financial advisers, legal advisers, financial printer and other parties involved in the Rights Issue. The estimated maximum net proceeds from the Rights Issue will accordingly be approximately HK$83.2 million (equivalent to a net price of approximately HK$0.2316 per Rights Share). In line with the aforesaid business objectives, the Company intends to utilise the net proceeds from the Rights Issue as follows:

(i) approximately HK$73.0 million for repayment of a portion of the Group's borrowings which have already matured as disclosed above; and

(ii) approximately HK$10.2 million as general working capital of the Group such as staff salary, lease of offices and warehouses and maintenance costs for the Group's plant and equipment.

In the event that there is an undersubscription of the Rights Issue, the net proceeds of the Rights Issue will be utilised in proportion to the above uses. The Company intends to apply the net proceeds for (i) the repayment of the abovementioned matured but outstanding borrowings as soon as practicable after completion of the Rights Issue and the Placing which is currently expected to be June 2026; and (ii) the working capital of the Group for the financial year ending 30 April 2027.

The Company has considered other fund-raising alternatives before proceeding with the Rights Issue, including but not limited to debt financing, placing of new Shares and open offer. Debt financing or bank loans would result in additional interest burden to and higher gearing ratio of the Group. Placing of new Shares would only be available to certain placees who were not necessarily the existing Shareholders and would dilute the shareholding of the existing Shareholders in the Company. 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.

In view of the above, the Board (excluding the members of the Independent Board Committee whose opinion will be rendered after considering the advice from the independent financial adviser) considers that as compared to raising fund by other means, raising funds by way of the Rights Issue, which will allow Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain their respective pro-rata shareholding interests in the Company and dealing with the Shares, is an appropriate fundraising method and is fair, cost effective, efficient and beneficial to the Company and its shareholders as a whole.

FUND RAISING ACTIVITIES INVOLVING ISSUE OF SECURITIES IN THE PAST 12 MONTHS

The Company has not conducted any fund raising activities involving issue of its securities in the past 12 months immediately preceding the Latest Practicable Date.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after the Capital Reorganisation; (iii) immediately after the Capital Reorganisation and upon the completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders under Rights Issue; and (iv) immediately after the Capital Reorganisation and upon the Completion of the Rights Issue assuming (a) no subscription by the Qualifying Shareholders; and (b) all the Placing Shares are placed to Independent Third Parties under the Placing:

Shareholders	**As at the Latest Practicable Date**		**Immediately after the Capital Reorganisation**		**Immediately after the Capital Reorganisation and upon the completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders under Rights Issue**		**Immediately after the Capital Reorganisation and upon the completion of the Rights Issue assuming (a) no subscription by the Qualifying Shareholders; and (b) all the Placing Shares are placed to Independent Third Parties under the Placing**	
	No. of issued shares	*%*	*No. of issued shares*	*%*	*No. of issued shares*	*%*	*No. of issued shares*	*%*
Public shareholders	14,367,101,072	100.0	359,177,526	100.0	718,355,052	100.0	359,177,526	50.0
Placees	–	–	–	–	–	–	359,177,526	50.0
Total	14,367,101,072	100.0	359,177,526	100.0	718,355,052	100.0	718,355,052	100.0

Note: The above percentage figures are subject to rounding adjustments. Accordingly, figures shown as total may not be an arithmetic aggregation of the figures preceding it.

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.

GEM LISTING RULES IMPLICATIONS

Capital Reorganisation

The Capital Reorganisation is conditional upon, among other things, the approval by the Shareholders by way of poll at the SGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders or their respective associates had any interest in the Capital Reorganisation. Accordingly, no Shareholder is required to abstain from voting in favour of the resolutions relating to the Capital Reorganisation at the SGM.

Rights Issue

In accordance with Rule 10.29(1) of the GEM Listing Rules, as the Rights Issue will increase the total number of issued Shares or the market capitalisation of the Company by more than 50% within the 12-month period immediately preceding the Latest Practicable Date (after taking into account the effect of the Capital Reorganisation), the Rights Issue must be made conditional on approval by the Independent Shareholders at the SGM, and any controlling shareholders of the Company and their respective associates, or where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolutions relating to the Rights Issue at the SGM. As at the Latest Practicable Date, the Company has no controlling Shareholder and none of the Directors and their respective associates holds any Share. Accordingly, no Shareholder is required to abstain from voting in favour of the proposed resolution approving the Rights Issue at the SGM.

The Company has not conducted any rights issue, open offer or specific mandate placings within the 12-month period immediately preceding the Latest Practicable Date, or prior to such 12-month period where dealing in respect of the Existing Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities as part of any rights issue, open offer and/or specific mandate placings within such 12-month period.

The Rights Issue will 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.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors has been established to provide recommendations to the Independent Shareholders in connection with the Rights Issue. Vinco Financial Limited has been appointed with the approval of the Independent Board Committee as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Rights Issue, and as to voting action therefor.

SGM

A notice convening the SGM to be held at Portion 2, 12th Floor, The Centre, 99 Queen's Road Central, Hong Kong on Tuesday, 14 April 2026 at 11:00 a.m. at which resolutions will be proposed to consider and approve the Capital Reorganisation, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder are set out on pages SGM-1 to SGM-4 of this circular. All the resolutions to be proposed at the SGM will be taken by poll and an announcement on the results of the SGM will be made by the Company after the SGM. Whether or not you intend to attend the SGM, you are requested to complete and return the form of proxy accompanying this circular in accordance with 11:00 a.m. (Hong Kong time). Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjournment thereof in person if you so wish, and in such event, the form of proxy shall be deemed to be revoked.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 9 April 2026 to Tuesday, 14 April 2026 (both days inclusive) for determining the entitlement for attendance and voting at the SGM. No transfer of Shares will be registered during the above book closure periods.

DESPATCH OF PROSPECTUS DOCUMENTS

Subject to the Capital Reorganisation, approval of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder at the SGM, the Prospectus containing further information in relation to the Rights Issue and financial and other information relating to the Group is expected to be made available and/or despatched by the Company together with the PAL to the Qualifying Shareholders on or before Monday, 27 April 2026. The Company will sent the PAL to the Qualifying Shareholders individually in printed form. Copies of the Prospectus Documents will also be made available on the websites of the Company at www.wls.com.hk and the Stock Exchange at www.hkexnews.hk. To the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Company will send copies of the Prospectus to Excluded Shareholders for their information only but will not send the PAL to them.

RECOMMENDATION

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Lo Ka Ki, Ms. Gong Qiuyun and Ms. Chan Ka Yee, has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the SGM. Vinco Financial Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable.

Your attention is drawn to the letter from the Independent Board Committee set out on page 39 of this circular which contains its recommendation to the Independent Shareholders in relation to the Rights Issue, and the letter from the Independent Financial Adviser set out on pages 40 to 63 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

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

ADDITIONAL INFORMATION

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

Yours faithfully,
For and on behalf of the Board
WLS Holdings Limited
Li Zhenxing
Executive Director

The following is the text of the letter form the Independent Board Committee setting out its recommendation to the Independent Shareholder in respect of the Rights Issue.

WLS Holdings Limited
滙隆控股有限公司*

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 8021)

20 March 2026

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED RIGHTS ISSUE ON BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) ADJUSTED SHARE HELD ON RECORD DATE

We refer to the circular of the Company dated 20 March 2026 ("**Circular**"), of which this letter forms part. Unless the context otherwise requires, capitalised terms defined in the Circular shall have the same meanings when used in this letter.

We have been appointed by the Board as the members of the Independent Board Committee, to advise the Independent Shareholders as to whether the terms of the Rights Issue 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.

The Independent Financial Adviser has been appointed to advise us and Independent Shareholders in respect of the terms of the Rights Issue.

Having considered the terms of the Rights Issue and the advice of the Independent Financial Adviser, we are of the opinion that the terms of the Rights Issue 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. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Rights Issue.

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

Mr. Lo Ka Ki **Ms. Gong Qiuyun** **Ms. Chan Ka Yee**
Independent non-executive Directors

The following is the text of a letter of advice from Vinco Financial setting out its advice to the Independent Board Committee and the Independent Shareholders prepared in respect of the terms of the Rights Issue and the transactions contemplated thereunder which has been prepared for the purpose of incorporation in this circular:

Vinco Financial Limited

20 March 2026

To the Independent Board Committee and the Independent Shareholders of
WLS Holdings Limited

Dear Sirs,

PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) ADJUSTED SHARE HELD AT THE CLOSE OF BUSINESS 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 in respect of the terms of the Rights Issue and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 20 March 2026 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used herein shall have the same meanings as defined in the Circular unless the context requires otherwise.

Reference is made to the Announcement in relation to, among other things, the Capital Reorganisation, the Rights Issue, the Placing Agreement and transactions contemplated thereunder. The Board proposes, subject to the Capital Reorganisation becoming effective, to conduct the Rights Issue on the basis of one (1) Rights Share for every one (1) Adjusted Share held by the Qualifying Shareholders as at the Record Date at the Subscription Price of HK$0.24 per Rights Share, to raise up to approximately HK$86.2 million before deducting the expenses by way of issuing up to 359,177,526 Rights Shares (assuming there is no change in the total number of issued Shares from the Latest Practicable Date up to and including the Record Date other than as a result of the Capital Reorganisation).

The Company will provisionally allot to the Qualifying Shareholders one (1) Rights Share in nil-paid form for every one (1) Adjusted Share in issue and held on the Record Date. The Rights Issue will not be available to the Excluded Shareholders.

The estimated net proceeds of the Rights Issue (after deducting the estimated expenses in relation to the Rights Issue) will be approximately HK$83.2 million (assuming there is no change in the total number of issued Shares from the Latest Practicable Date up to and including the Record Date other than as a result of the Capital Reorganisation and the Rights Shares are fully subscribed). The Company intends to apply the net

proceeds from the Rights Issue for (i) the repayment of a portion of the Group's borrowings; and (ii) the general working capital of the Group. There is no minimum subscription level or minimum amount to be raised under the Rights Issue.

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.

GEM LISTING RULES IMPLICATIONS

In accordance with Rule 10.29(1) of the GEM Listing Rules, as the Rights Issue will increase the total number of issued Shares or the market capitalisation of the Company by more than 50% within the 12-month period immediately preceding the Latest Practicable Date (after taking into account the effect of the Capital Reorganisation), the Rights Issue must be made conditional on approval by the Independent Shareholders at the SGM, and any controlling shareholders of the Company and their respective associates, or where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution relating to the Rights Issue at the SGM. As at the Latest Practicable Date, the Company has no controlling Shareholder and none of the Directors and their respective associates holds any Share. Accordingly, no Shareholder is required to abstain from voting in favour of the proposed resolution approving the Rights Issue at the SGM.

The Company has not conducted any rights issue, open offer or specific mandate placings within the 12-month period immediately preceding the Latest Practicable Date, or prior to such 12-month period where dealing in respect of the Existing Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities as part of any rights issue, open offer and/or specific mandate placings within such 12-month period.

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

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Lo Ka Ki, Ms. Gong Qiuyun and Ms. Chan Ka Yee, has been established to advise the Independent Shareholders in connection with the Rights Issue, and to advise the Independent Shareholders on how to vote at the SGM, taking into account the recommendations of the Independent Financial Adviser.

We, Vinco Financial Limited, have been appointed and approved by the Independent Board Committee, to advise the Independent Board Committee and the Independent Shareholders on the Rights Issue. In our capacity as the Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee as to whether the Rights Issue are on normal commercial terms, fair and reasonable, are in the interest of the Company and the Shareholders as a whole and whether to vote in favour of the resolution to be proposed at the SGM to approve the Rights Issue so far as the Independent Shareholders are concerned.

OUR INDEPENDENCE

As at the Latest Practicable Date, we are not connected with the Directors, chief executive and substantial shareholders of the Company or any of their respective subsidiaries or their respective associates and, as at the Latest Practicable Date, did not have any shareholding, directly or indirectly, in any of their respective subsidiaries or their respective associates and did not have any shareholding, directly or indirectly, in any member of the Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group. We are not aware of any relationships or interests between us and the Company or any other parties that could be reasonably be regarded as hindrance to our independence as defined under Rule 17.96 of the GEM Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed Rights Issue of the Company. Apart from normal professional fees payable to us in connection with this appointment, no arrangements exist whereby we had received or will receive any fee or benefit from the Group and its associates. During the past two years, there was no engagement between the Group and us. Also, we are not aware of the existence of or change in any circumstances that could affect our independence. Accordingly, we consider that we are eligible to give independent advice on the proposed Rights Issue and the transactions contemplated thereunder of the Company.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied upon the accuracy of the information and representations contained in the Circular and information provided to us by the Company, the Directors and the management of the Company. We have assumed that all statements, information and representations made or referred to in the Circular and all information and representations which have been provided by the Company, the Directors and the management of the Company, for which they are solely and wholly responsible, were true at the time they were made and continue to be true as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration and there are no other facts not contained in the Circular, the omission of which make any such statement contained in the Circular misleading. The Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date and up to and including the date of the SGM. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any omission of any material facts that would render the information provided and the representations made to us untrue, inaccurate or misleading. We have not, however, conducted any independent in-depth investigation into the business affairs, financial position or future prospects of the Group, nor have we carried out any independent verification of the information provided by the Directors and the management of the Company.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries that, to the best of their knowledge and belief, there are no omission of any other facts that would make any statements in 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.

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

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. In rendering our opinion in the Circular, we have researched, analyzed and relied on (i) the interim report of the Company for the six months ended 31 October 2025 (the "**Interim Report 2025**"); (ii) the annual report of the Company for the year ended 30 April 2025 (the "**Annual Report 2025**"); (iii) the latest management account of the Group; (iv) the Placing Agreement; and (v) market information obtained from the website of the Stock Exchange. Based on the foregoing, we confirm that we have taken all reasonable steps, which are applicable to the Rights Issue, as referred to in Rule 17.92 of the GEM Listing Rules (including the notes thereto).

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Rights Issue and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, we have taken into account the following principal factors and reasons:

1. Business and financial information of the Group

Information of the Group

The Company is incorporated in the Cayman Islands as an exempted company and continued in Bermuda with limited liability and its shares are listed on GEM of the Stock Exchange. The principal activities of the Group are the provision of scaffolding, fitting out and other auxiliary services for construction and buildings work, money lending business and securities investment business.

Business and financial performance of the Group

Set out below is a summary of (i) the unaudited consolidated financial information of the Group for each of the six months ended 31 October 2024 ("**HY2024**") and 31 October 2025 ("**HY2025**"); and (ii) the audited consolidated financial information of the Group for each of the two years ended 30 April 2024 ("**FY2024**") and 30 April 2025 ("**FY2025**") which were extracted from the Interim Report 2025 and Annual Report 2025 respectively:

Table 1: Historical financial information of the Group

	For the six months ended 31 October		For the year ended 30 April	
	2025	**2024**	**2025**	**2024**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited)	(unaudited)	(audited)	(audited)
Revenue	39,537	46,797	79,128	82,405
Gross profit	25,405	33,466	52,159	50,740
Profit/(Loss) for the period/year attributable to owners of the Company	75,967	30,486	(6,846)	(11,147)

	As at 31 October	As at 30 April	
	2025	**2025**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
	(unaudited)	(audited)	(audited)
Bank balances and cash	3,913	15,545	18,480
Total assets	670,945	585,103	582,042
Total liabilities	217,243	207,606	198,165
Net assets	453,702	377,497	383,877

HY2025 versus HY2024

With reference to Interim Report 2025, the Group recorded revenue of approximately HK$39.5 million for HY2025, representing a decrease of approximately 15.6% as compared with approximately HK$46.8 million for HY2024. The decrease in revenue was mainly due to the decrease in scaffolding, fitting out and other auxiliary services business during HY2025. The Group recorded a decrease of approximately 24.2% in gross profit from approximately HK$33.5 million for HY2024 to approximately HK$25.4 million for HY2025. Such decrease in gross profit was mainly due to the decrease in revenue mentioned above. The profit attributable to owners of the Company was approximately HK$76.0 million for HY2025 compared with a profit of approximately HK$30.5

million for HY2024. Such increase in net profit attributable to owners of the Company was mainly due to the significant increase in fair value on financial assets at fair value through profit or loss for HY2025 as compared to the corresponding period in 2024.

The Group's unaudited total assets and total liabilities as at 31 October 2025 amounted to approximately HK$670.9 million and HK$217.2 million respectively. The Group's unaudited net assets value amounted to approximately HK$453.7 million as at 31 October 2025, representing an increase of approximately 20.2% as compared to that of approximately HK$377.5 million as at 30 April 2025. Such increase in net assets value was mainly attributable to the increase in loan and interest receivables and financial assets at fair value through profit or loss. The gearing ratio of the Group, being calculated on the basis of the total debts divided by equity attributable to the owners of the Company then multiplied by 100%, was approximately 33.8% as at 31 October 2025 which was lower than that of the Group's gearing ratio of approximately 40.4% as at 30 April 2025. The decrease in gearing ratio was attributable to an increase in equity attributable to the owners of the Company for HY2025, as a result from the significant fair value gain on financial assets at FVTPL and resulted in a lower level of gearing as at 31 October 2025.

FY2025 versus FY2024

With reference to Annual Report 2025, the Group recorded revenue of approximately HK$79.1 million for FY2025, representing a decrease of approximately 4.0% as compared with approximately HK$82.4 million for FY2024. Such decrease was mainly due to the revenue decreased in the scaffolding, fitting out and other auxiliary services segments for construction and buildings work during FY2025. The Group recorded an increase of approximately 2.8% in gross profit from approximately HK$50.7 million for FY2024 to approximately HK$52.2 million for FY2025. Such increase in gross profit was attributable to the increase in gross profit margin of the Group as a result of an increase in interest income and offset with the decrease in profit margin of scaffolding, fitting out and other auxiliary services for construction and buildings work. The loss attributable to owners of the Company decreased to approximately HK$6.8 million in FY2025 from approximately HK$11.1 million in FY2024. Such decrease in loss was mainly due to the fair value gain on financial assets at fair value through profit or loss which offset the increase in net impairment losses recognised under expected credit loss model.

The Group's audited total assets and total liabilities as at 30 April 2025 amounted to approximately HK$585.1 million and HK$207.6 million respectively. The Group's audited net assets value amounted to approximately HK$377.5 million as at 30 April 2025, representing a decrease of approximately 1.7% as compared to that of approximately HK$383.9 million as at 30 April 2024. Such decrease in net assets value was mainly attributable to the loss for the year ended 30 April 2025. The gearing ratio of the Group, being calculated on the basis of the total debts divided by equity attributable to the owners of the Company then multiplied by 100%, was approximately 40.4% as at 30 April 2025 which was higher than that of the Group's gearing ratio of approximately 38.7% as at 30 April 2024. The increase in gearing ratio was attributable to the Company issued a new bond for the year ended 30 April 2025, together with a decrease in equity attributable to the owners of the Company as at 30 April 2025.

2. Reasons for the Rights Issue, the Placing and use of proceeds

As set out in the Board Letter, the Group is principally engaged in (i) the provision of scaffolding, fitting out and other auxiliary services for construction and buildings work; (ii) money lending business; and (iii) securities investment business.

Having reviewed the Interim Report 2025, we noted that:

(i) for the six months ended 31 October 2025, the Group recorded negative cashflow of approximately HK$7.6 million from operating activities as compared to positive cashflow of approximately HK$2.9 million from operating activities for the six months ended 31 October 2024;

(ii) as at 31 October 2025, the Group's other borrowings (including interests) was approximately HK$153.6 million as compared to approximately HK$152.6 million as at 30 April 2025;

(iii) as at 31 October 2025, the Group's bank balances and cash in general accounts amounted to approximately HK$3.9 million compared to approximately HK$15.6 million as at 30 April 2025.

Based on our discussion with the management of the Company, we also understand the operating performance of the Group with the uncertainty and regulatory pressure due to the recent fire tragedy in Hong Kong. Although scaffolding, fitting out and other auxiliary services for construction and buildings work have been the second largest business segment of the Group, in terms of revenue, for FY2025 and HY2025, the Group recorded loss from this segment during the aforesaid periods. Currently, the Group (i) has 12 projects on hand with total contract sum of approximately HK$134.9 million of which approximately HK$96.4 million has been billed; and (ii) participates in two tenders for new projects with total estimated contract sum of approximately HK$50.0 million and the awards of which have yet to be confirmed. Based on the current budget and progress of the existing projects, the Company expects the segment to be self-financing, requiring no significant additional capital in near future. For the two new projects that are under tender, the Company does not expect significant upfront costs to be incurred in early stage except administrative expenses. Given operating and administrative expenses (which covers overall administrative costs and staff salaries of the Group) have been the largest recurring costs of the Group, the intended allocation of net proceeds to the Group's working capital would enable the Company to maintain its core function for strategic management of the Group's development.

The Company is an industry pioneer in the scaffolding industry, possessing leading technology, such as smart climbing scaffolding. The Company will continue this business segment and explore suitable technology, to improve work safety and enhance cost control. Based on the above, we noted that the Company has no intention to allocate any net proceeds from the Rights Issue to this business segment.

Also, as for the money lending segment of the Group, the Group had an unaudited loan and interest receivables of approximately HK$458.23 million as at 31 October 2025 which falls due within one year. Given (i) the money lending segment was profit-making during the year ended 30 April 2025 and the six months ended 31 October 2025 and the Group is actively identifying new customers (in the 12 months prior to 31 October 2025, the Group identified ten new customers); and (ii) to support its ongoing demand for new loans, the Group has to retain capital from loan repayments, if received, upon maturity of existing loans as the Group intends to reinvest capital recovered from maturing loan. As such, we noted that the Company has no intention to change the capital scale of this business segment.

In view of the financial conditions and performance of the Group and the imminent need of capital, we concur with the view of the Directors that the Rights Issue represents a good opportunity to raise capital to repay its borrowings (comprising various interest-bearing bonds) and replenish its working capital. As disclosed in the Interim Report 2025, other borrowings of the Group was amounted to approximately HK$153.56 million (unaudited) as at 31 October 2025. Among these, interest-bearing bonds of the Group (with annual interest rates ranging from 6.5% to 11.0% and maturity dates falling between June 2023 and October 2025) in total amount of approximately HK$106.4 million (including interests) have already matured and fallen due as at the Latest Practicable Date. Although the Group is not aware of any enforcement actions for repayment initiated by the holders of the aforesaid matured bonds, it remains obligated to settle such outstanding amount to avoid potential legal actions and the accrual of further interests. Hence, the Company currently intends to prioritise repayment of those bonds with earlier maturity dates or higher coupon rates as soon as practicable following the completion of the Rights Issue and the Placing and after liaising with the relevant bond holders.

It is estimated that the Company will raise up to approximately HK$86.2 million from the Rights Issue and the relevant expenses would be approximately HK$3.0 million, which includes placing commission and professional fees payable to financial advisers, legal advisers, financial printer and other parties involved in the Rights Issue. The estimated maximum net proceeds from the Rights Issue will accordingly be approximately HK$83.2 million (equivalent to a net price of approximately HK$0.2316 per Rights Share). In line with the aforesaid business objectives, the Company intends to utilise the net proceeds from the Rights Issue as follows:

(i) approximately HK$73.0 million for repayment of a portion of the Group's borrowings which have already matured as disclosed above; and

(ii) approximately HK$10.2 million as general working capital of the Group such as staff salary, lease of offices and warehouses and maintenance costs for the Group's plant and equipment.

In the event that there is an undersubscription of the Rights Issue, the net proceeds of the Rights Issue will be utilised in proportion to the above uses. The Company intends to apply the net proceeds for (i) the repayment of the abovementioned mature but outstanding borrowings as soon as practicable after completion of the Rights Issue and the Placing which is currently expected to be June 2026; and (ii) the working capital of the Group for the financial year ending 30 April 2027.

With reference to the discussion with the management of the Company, the Board considers raising funds by way of the Rights Issue is a better alternative than other debt/equity fund raising alternatives such as bank borrowings, placing, or open offer. The Company has considered other fund-raising alternatives before proceeding with the Rights Issue, including but not limited to debt financing, placing of new Shares and open offer. Debt financing or bank loans would result in additional interest burden to and higher gearing ratio of the Group. Placing of new Shares would only be available to certain placees who were not necessarily the existing Shareholders and would dilute the shareholding of the existing Shareholders in the Company. 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 considered the abovementioned alternatives, we consider that as compared to raising funds by other means, raising funds by way of the Rights Issue, which will allow Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain their respective pro-rata shareholding interests in the Company and dealing with the Shares, is an appropriate fundraising method and is fair, cost effective, efficient and beneficial to the Company and its shareholders as a whole.

3. Principal terms of the Rights Issue

The Board proposes, subject to the Capital Reorganisation becoming effective, to conduct the Rights Issue on the basis of one (1) Rights Share for every one (1) Adjusted Share held by the Qualifying Shareholders as at the Record Date. Set out below are the details of the Rights Issue statistics.

Rights Issue statistics

Basis of the Rights Issue	:	one (1) Rights Share for every one (1) Adjusted Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK$0.24 per Rights Share
Net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	approximately HK$0.2316 per Rights Share (on the basis that all the Rights Shares will be taken up)
Number of Existing Shares in issue as at the Latest Practicable Date	:	14,367,101,072 Existing Shares
Number of Adjusted Shares in issue upon the Capital Reorganisation becoming effective	:	359,177,526 Adjusted Shares (assuming no change in the number of Shares in issue up to the effective date of the Capital Reorganisation)

Number of Rights Shares	:	up to 359,177,526 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation)
Number of Shares in issue upon completion of the Rights Issue	:	Up to 718,355,052 Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation)
Gross proceeds from the Rights Issue	:	Approximately HK$86.2 million before deducting the expenses (assuming full subscription under the Rights Issue and assuming no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation)
Net proceeds from the Rights Issue	:	Approximately HK$83.2 million after deducting the expenses (assuming full subscription under the Rights Issue and assuming no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation)
Rights of excess application and underwriter	:	There will be no excess application arrangements in relation to the Rights Issue and the Rights Issue is not underwritten
Compensatory Arrangements	:	Any Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed to independent Placees on a best effort basis under the Compensatory Arrangements. Any Unsubscribed Rights Shares or ES Unsold Rights Shares which remain unplaced under the Compensatory Arrangement in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly

As at the Latest Practicable Date, the Company has no outstanding derivatives, convertible securities, options, warrants or other similar securities in issue which would otherwise confer any right to subscribe for, convert or exchange into Shares. The Company has no intention to issue or grant any Shares, convertible securities and/or options on or before the Record Date.

Assuming no change in the number of Shares in issue on or before the Record Date, other than from the Capital Reorganisation becoming effective, the aggregate 359,177,526 Rights Shares to be issued pursuant to the terms of the Rights Issue represent 100% of the total number of issued Adjusted Shares upon the Capital Reorganisation becoming effective and approximately 50% of the total number of issue Adjusted Shares as enlarged by the issue of the Rights Shares (assuming full acceptance by the Qualifying Shareholders).

The Subscription Price

The Subscription Price is HK$0.24 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, when a renouncee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

(i) a discount of approximately 40.00% to to the adjusted closing price of HK$0.400 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the closing price of HK$0.010 per Existing Share as quoted on the Stock Exchange the Latest Practicable Date;

(ii) a discount of approximately 40.00% to the adjusted closing price of HK$0.400 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the closing price of HK$0.010 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 41.18% to the adjusted average closing price of HK$0.408 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the average closing price of HK$0.0102 per Existing Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;

(iv) a discount of approximately 41.18% to the adjusted average closing price of HK$0.408 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the average closing price of approximately HK$0.0102 per Existing Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;

(v) a discount of approximately 25.93% to the theoretical ex-rights price of approximately HK$0.324 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the closing price of HK$0.010 per Share as quoted on the Stock Exchange on the Last Trading Day;

(vi) a discount of approximately 77.16% to the net asset value of the Company of approximately HK$1.050 per Adjusted Share based on the audited net asset value attributable to owners of the Company of approximately HK$377.5 million as at 30 April 2025 and 359,177,526 Adjusted Shares in issue after adjusted for the effect of the Capital Reorganisation;

(vii) a discount of approximately 81.00% to the net asset value of the Company of approximately HK$1.26 per Adjusted Share based on the unaudited net asset value attributable to owners of the Company of approximately HK$453.7 million as at 31 October 2025 and 359,177,526 Adjusted Shares in issue after adjusted for the effect of the Capital Reorganisation; and

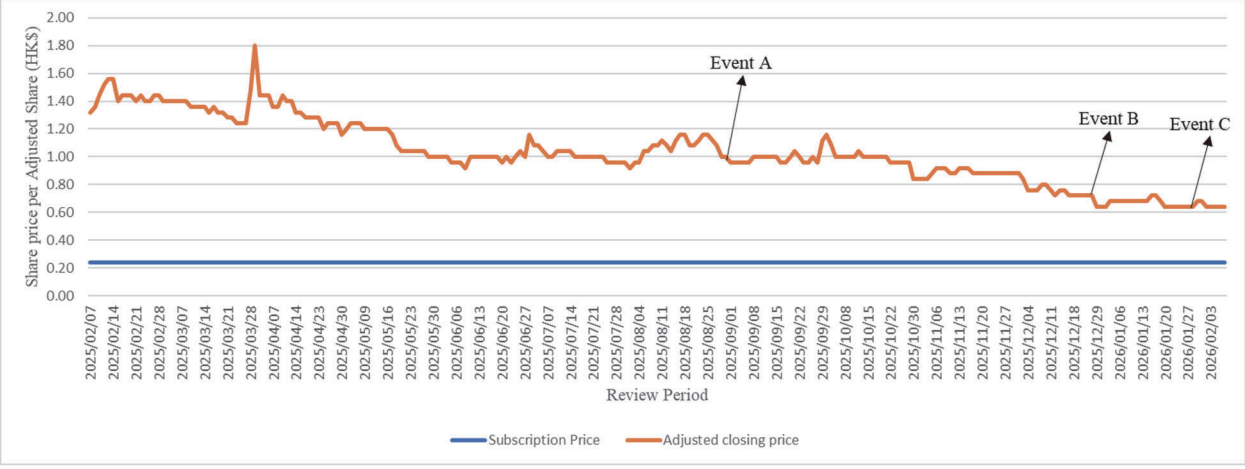
(viii) theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 20.59%, represented by the theoretical diluted price of HK$0.324 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) to the benchmarked price of approximately HK$0.408 per Adjusted Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the higher of (i) the adjusted closing price of the Adjusted Shares as quoted on the Stock Exchange on the Last Trading Day and (ii) the adjusted average closing price of the five (5) previous consecutive trading days prior to the Last Trading Day and taking into account the effect of the Capital Reorganisation).

As set out in the Board Letter, the Subscription Price was determined by the Company with reference to, among other things, (i) the prevailing market price of the Existing Shares, details are disclosed under the paragraph headed "The Subscription Price" in this letter; (ii) the low liquidity of the Existing Shares, details are disclosed under the paragraph headed "Liquidity of the Shares" in this letter; (iii) the latest business performance and financial position of the Group, details are disclosed under the paragraph headed "Business and financial performance of the Group" in this letter; and (iv) the reasons for and benefits of the proposed Rights Issue as discussed in the paragraph headed "2. Reasons for the Rights Issue, the Placing and use of proceeds" in this letter. All Qualifying Shareholders are entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its existing shareholding in the Company held on the Record Date so as to maintain their proportionate interests in the Company and participate in the future growth of the Group.

In order to assess the fairness and reasonableness of the Subscription Price, we have taken into account (i) the theoretical closing price per Adjusted Share for the one year period prior to and including the date of the Announcement (being a period of approximately one year prior to and including the Last Trading Day) (the "**Review Period**"), with a view to provide a meaningful comparison to the Subscription Price under the Rights Issue (the "**Closing Price**"); and (ii) the average daily trading volumes of the Adjusted Shares for each of the months/periods during the Review Period.

We consider that the Review Period is adequate to illustrate the recent price movement of the Adjusted Shares for conducting a reasonable comparison among the historical adjusted closing prices prior to the Announcement as (i) the 1-year period represents a reasonable period to reflect the performance of the closing price of the Adjusted Shares in response to the prevailing market condition and operating condition; (ii) a shorter review period can only demonstrate the Adjusted Share price performance in a limited and specific time which may be distorted by specific events; and (iii) it is commonly used for analysis purposes. Besides, such comparison is relevant for the assessment of the fairness and reasonableness of the Subscription Price, as the share price before the Announcement represent a fair market value of the Company, the Shareholders expected, while that after the Announcement, the value may have taken into account the potential upside of the Rights Issue which may distort the analysis. The chart below illustrates the Closing Price of the Adjusted Shares versus the Subscription Price of HK$0.24 per Share:

Table 2: Historical closing prices of the Adjusted Shares during the Review Period



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

Notes:

Event A – Publication of Annual Report 2025 on 29 August 2025

Event B – Publication of voluntary announcement regarding the review of the certification of scaffolding materials used at construction sites following the massive blaze at Wang Ful Court in Tai Po on 24 December 2025

Event C – Publication of Interim Report 2025 on 28 January 2026

During the Review Period, the Adjusted Shares traded between a range of HK$0.40 on the following dates, (i) 29 to 31 December 2025; (ii) 20 to 23 January 2026; (iii) 26 to 28 January 2026; and (iv) 2 to 5 February 2026, and HK$1.56 on 31 March 2025 with an average closing price per Adjusted Share of approximately HK$0.80. The Subscription Price represents (i) a discount of approximately 40.00% to the lowest closing price per Adjusted Share (i.e. HK$0.40); (ii) a discount of approximately 84.62% to the highest closing price per Adjusted Share (i.e. HK$1.56); and (iii) a discount of approximately 69.86% to the average closing price per Adjusted Share (i.e. HK$0.80) during the Review Period.

As illustrated in the graph above, the closing price shows a general downward trend over the Review Period. Besides, we found the closing price was trading above the Subscription Price since commencement of the Review Period. The closing price per Adjusted Share fluctuated between HK$1.00 and HK$1.56 in February and March 2025. After reaching its highest Adjusted Share price on 31 March 2025, the closing price per Adjusted Share continued to drop and remained relatively stable within the range of approximately HK$0.92 to HK$1.20 in April 2025. From May 2025 onwards, the closing price per Adjusted Share gradually declined from approximately HK$1.00 to approximately HK$0.68 by late July 2025. A short rebound was observed in mid-August 2025, during which the closing price per Adjusted Shares rose to approximately HK$0.92, before resuming its downward trajectory. At the end of August 2025, the Company published the Annual Report 2025. The closing price per Adjusted Share continued to soften in the fourth quarter of 2025, falling to HK$0.60 by the end of October 2025 and reaching approximately HK$0.48 in mid-December 2025. At the end of December, the Company published the voluntary announcement regarding the review of the certification of scaffolding materials used at construction sites following the massive blaze at Wang Ful Court in Tai Po. The lowest closing price per Adjusted Share during the Review Period was HK$0.40, which persisted from 29 December 2025 to 28 January 2026, the day when the Company announced Interim Report 2025, and thereafter.

After reviewing the Company's announcements, we do not notice any specific reasons for the aforementioned movements of the closing price during the Review Period. As discussed with the management of the Company, they were not aware of any particular reason that contributed to the fluctuations in the closing price per Adjusted Share during the Review Period aside from the aforementioned events.

Taking into consideration that (i) the Subscription Price falls below the aforesaid historical closing price per Adjusted Share range during the Review Period; (ii) the low liquidity of the Adjusted Shares as discussed in sub-section headed "Liquidity of the Shares" below in this letter; (iii) the funding needs of the Group for the repayment of a portion of the Group's borrowing and the general working capital as discussed in the section headed "2. Reasons for the Rights Issue, the Placing and use of proceeds" above in this letter; (iv) the Subscription Price is within the range in the comparable analysis as discussed in the sub-section headed "Comparison with other rights issue transactions" below in this letter; and (v) the latest business performance and financial position as discussed in the sub-section headed "Business and financial information of the Group" above in this letter, we consider that the discount of the Subscription Price is fair and reasonable and the Rights Issue is in the interests of the Company and the Shareholders as a whole.

Liquidity of the Shares

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

Month/Period		**Total trading volume of the Shares in the month/ period**	**Number of trading days in the month/ period**	**Average daily volume of the Shares in the month/ period** *(Note 1)* *(approximately)*	**Percentage of average daily trading volume to total number of Shares** *(Note 2)* *(approximately)*
2025	February *(Note 3)*	55,900,000	17	3,288,235	0.0229%
	March	122,532,900	21	5,834,900	0.0406%
	April	112,030,000	19	5,896,316	0.0410%
	May	219,961,000	20	10,998,050	0.0766%
	June	84,282,000	21	4,013,429	0.0279%
	July	188,240,000	22	8,556,364	0.0596%
	August	415,430,000	21	19,782,381	0.1377%
	September	194,007,564	22	8,818,526	0.0614%
	October	101,680,000	20	5,084,000	0.0354%
	November	548,700,000	20	27,435,000	0.1910%
	December	432,820,002	21	20,610,476	0.1435%
2026	January	358,730,000	21	17,082,381	0.1189%
	February *(Note 4)*	158,790,000	4	39,697,500	0.2763%

Source: The website of Stock Exchange

Notes:

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

2. Calculated based on the total number of Shares in issue at the end of each month/period.

3. Represents trading volume for the period from 6 February 2025, being one year prior to the Last Trading Day, to 28 February 2025, both days inclusive.

4. Represents trading volume for the period from 2 February 2026 to 5 February 2026, the Last Trading Day, both days inclusive.

As illustrated in the above table, we noted that the average trading volume of the Shares ranged from approximately 3,288,235 Shares to 39,697,500 Shares during the Review Period, representing approximately 0.0229% to 0.2763% of a total of 14,367,101,072 Shares in issued as at the respective month or period with an average on the percentage of average daily trading volume throughout the whole Review Period of approximately 0.0948% of the total number of issued Shares as at the respective month or period. We also noted that the relatively high average daily trading volume of the Shares has been arising from November 2025 to February 2026. We have enquired with the management of the Company for the possible reasons and were advised that the Company was not aware of any other reasons regarding the active trading.

Based on the above results, we considered that the trading liquidity of the Shares during the Review Period were thin that the average daily trading volume of the Shares during the Review Period was below 1% of the total number of issued Shares, we consider that the Company is unlikely to be able to raise equity funds from third parties without a substantial discount on the prevailing Share prices. In light of the above, we consider that conducting a fund raising exercise by way of Rights Issue with Subscription Price set at a discount to the closing price per Share as quoted on the Stock Exchange on the Last Trading Day is appropriate and reasonable as to promote the attractiveness of the Rights Issue.

Comparison with other rights issue transactions

In order to assess the fairness and reasonableness of the Subscription Price, we exhaustively conducted a search of recent proposed rights issue three months prior to the Last Trading Day (the "**Comparison Period**") to understand the trend of the recent market practice. We consider that the Comparison Period is appropriate, fair and representative because (i) the comparables are considered for the purpose of taking a general reference for the recent market practice in relation to the rights issue exercise in the recent market conditions; and (ii) sufficient number of comparables were identified during the Comparison Period. Based on our research, we have identified an exhaustive list of 18 rights issue comparables (the "**Comparables**") during the Comparison Period.

We noted that the business activities and the terms of the rights issue of the Comparables may not be directly comparable to the business activities carried out and the terms of the rights issue announced by the Group due to the differences in business activities and performances. Although the Comparables included rights issue on different basis of entitlement, and involved issuers which engaged in different business or with different financial performance and funding needs from the Company, we consider that the Comparables are suitable to serve as general reference for the purpose of an assessment on the Subscription Price, as (i) all of the Comparables and the Company are listed on the Stock Exchange; (ii) our analysis is mainly concerned with the comparison of subscription price to closing price, NAV, maximum dilution on the shareholding and theoretical dilution effect; (iii) a three-month period for the selection of the Comparables has resulted in the generation of a reasonable sample size; and (iv) the Comparables were included without any artificial selection or filtering on our part. Since there are a sufficient number of Comparables under the selection criteria mentioned above, we are of the view that they represented a true and fair view and representative samples of the recent market trends for rights issue and are sufficient for assessing the fairness and reasonableness of the Rights Issue.

Date of announcement	Company name	Stock code	Basic of entitlement	Maximum dilution on the shareholding *(Note 2)* %	Premium/ (discount) of subscription price per rights issue share over to closing price per share on the last trading day prior to announcement of rights issue %	Premium/ (discount) of the subscription price to the average closing price per share for the last five consecutive trading days immediately up to and including the last trading day and prior to announcement of rights issue %	Premium/ (discount) of subscription price per rights issue share over/ to the net asset value per share *(Note 3)* %	Theoretical dilution effect *(Note 4)* %	Excess Application *(Note 5)* Yes/No	Placing commission *(Note 6)* %	Minimum placing commission HK$	Underwriting arrangement %	Underwriting fee
6 November 2025	Winto Group (Holdings) Limited	8238	3 for 1	75.00	(6.98)	(6.98)	N/A	(5.12)	No	3.00	No	Non-underwritten	N/A
12 November 2025	Domaine Power Holdings Limited	442	1 for 2	33.33	(17.44)	(15.88)	65.12	(5.81)	Yes	N/A	No	Non-underwritten	N/A
19 November 2025	Silkwave Inc.	471	3 for 1	75.00	(31.06)	(32.29)	(62.81)	(24.51)	Yes	N/A	No	Non-underwritten	N/A
21 November 2025	Crown International Corporation Limited	727	3 for 1	75.00	(19.75)	(26.14)	(44.85)	(19.53)	Yes	N/A	No	Non-underwritten	N/A
11 December 2025	Hang Yick Holdings Company Limited	1894	4 for 1	80.00	(28.13)	(27.67)	(84.67)	(22.50)	No	1.00	No	Non-underwritten	N/A
12 December 2025	Shun Wo Group Holdings Limited	1591	1 for 3	25.00	(6.70)	(3.40)	(54.80)	(1.67)	Yes	N/A	No	Non-underwritten	N/A
19 December 2025	China Castson 81 Finance Company Limited	810	5 for 2	71.43	(26.62)	(30.80)	(27.14)	(22.73)	No	2.50	No	Non-fully underwritten	N/A
23 December 2025	Mindtell Technology Limited	8611	1 for 2	33.33	(32.40)	(29.70)	8,100.00 *(Note 7)*	(10.80)	No	2.00	No	Non-underwritten	N/A
30 December 2025	Wanjia Group Holdings Limited	401	1 for 1	50.00	(31.62)	(27.27)	(33.33)	(15.81)	No	2.00	No	Non-underwritten	N/A
2 January 2026	HKC International Holdings Limited	248	1 for 2	33.33	(25.50)	(25.50)	(79.10)	(8.50)	Yes	N/A	No	Non-underwritten	N/A
13 January 2026	EPI (Holdings) Limited	689	2 for 1	66.67	(17.10)	(21.57)	(76.88)	(14.38)	Yes	N/A	No	Non-fully underwritten	1.80
14 January 2026	Jutal Offshore Oil Services Limited	3303	1 for 6	14.29	(69.23)	(69.35)	(85.13)	(9.92)	No	1.00	No	Non-underwritten	N/A
14 January 2026	Anchorstone Holdings Limited	1592	4 for 1	80.00	(42.86)	(39.81)	N/A	(24.00)	No	1.25	No	Non-underwritten	N/A
15 January 2026	Shanghai International Shanghai Growth Investment Limited	770	3 for 8	27.27	(60.00)	(60.00)	(47.44)	(16.33)	No	1.00	No	Non-underwritten	N/A
26 January 2026	Kwan On Holdings Limited	1559	1 for 2	33.33	(17.65)	(15.05)	79.09	(5.88)	Yes	N/A	No	Non-underwritten	N/A
27 January 2026	Pacific Legend Group Limited	8547	1 for 2	33.33	26.58	31.23	4.09	(4.60)	No	2.00	No	Non-underwritten	N/A
29 January 2026	Add New Energy Investment Holdings Group Limited	2623	1 for 2	33.33	(37.66)	(34.81)	65.57	(12.55)	Yes	N/A	No	Non-underwritten	N/A
4 February 2026	Ta Yang Group Holdings Limited	1991	2 for 1	66.67	(2.44)	(4.53)	297.69 *(Note 7)*	(4.80)	Yes	N/A	No	Non-underwritten	N/A
	Maximum			80.00	26.58	31.23	79.09	(1.67)		3.00			1.80
	Minimum			14.29	(69.23)	(69.35)	(85.13)	(24.51)		1.00			1.80
	Average			50.40	(25.73)	(25.33)	(27.31)	(13.37)		1.72			1.80
	Median			41.67	(26.06)	(26.71)	(46.15)	(13.47)		1.63			1.80
	Company	**8021**	**1 for 1**	**50.00**	**(40.00)**	**(41.18)**	**(77.16)**	**(20.59)**	**No**	**2.50**	**No**	**Non-underwritten**	**N/A**

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

Notes:

1. Information shown in the above table has been extracted from the relevant announcements or circulars of the rights issue of the respective Comparables, where applicable.

2. 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%.

3. The net asset value (the "**NAV**") per share is calculated based on the latest published net asset value of the subject company and total number of shares in issue as at the date of the respective announcement. "N/A" denotes that the NAV of the relevant Rights Issue Comparable that has net liabilities according to its latest published audited/unaudited consolidated financial statements.

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

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

6. "N/A" denotes that the subject rights issue was conducted without the involvement of any placing.

7. Mindtell Technology Limited (stock code: 8611) and Ta Yang Group Holdings Limited (stock code: 1991) are considered as outliers due to the significant premium of subscription price per rights issue share over the net asset value per share.

According to our research, we observed that (i) 15 of the 16 Comparables (exclude the outliers) had set the subscription price of their rights issue at a discount to the prevailing closing price of their shares on the last trading day in relation to their respective rights issue (the "**LTD Price**"); (ii) 15 of the 16 Comparables (exclude the outliers) had set the subscription price of their rights issue at a discount to the average closing price per share for the last five consecutive trading days immediately up to and including the last trading day (the "**5-Day Discount Price**"); and (iii) 10 of the 16 Comparables (exclude the outliers) had set the subscription price of their rights issue at a discount to the NAV per share. It indicates that it is common for listed companies to set the subscription price of rights issue at a discount to the LTD Price, 5-Day Discount Price and the NAV per share, with the view to encourage participation.

The subscription price to the LTD Price of the Comparables (exclude the outliers) ranged from a discount of approximately 69.23 to a premium of approximately 26.58% with average and median discounts of approximately 25.73% and 26.06% respectively. The discount of approximately 40.00% of the Subscription Price to the LTD Price of the Company falls within the range of those of the Comparables (exclude the outliers) despite being higher than the average and the median of the Comparables (exclude the outliers).

The subscription price to the 5-Day Discount Price ranged from a discount of approximately 69.35% to a premium of approximately 31.23% with average and median discounts of approximately 25.33% and 26.71% respectively. The discount of approximately 41.18% of the Subscription Price to the 5-Day Discount Price of the Company falls within the range of those of the Comparables (exclude the outliers) despite being higher than the average and the median of the Comparables (exclude the outliers).

The subscription prices to the NAV per share of the Comparables (exclude the outliers) ranged from a discount of approximately 85.13% to a premium of approximately 79.09% with average and median discount of approximately 27.31% and 46.15% respectively. The discount of approximately 77.16% of the Subscription Price to the NAV per share of the Company falls within the range of those of the Comparables (exclude the outliers) despite being higher than the average and median of the Comparables (exclude the outliers). However, having considered that during the Review Period, the closing price of the Shares ranged between HK$0.01 to HK$0.039 per Share. The Shares traded at a discount to the NAV per Share on 206 out of 249 trading days, representing approximately 82.73% of the Review Period. This may suggest that investors might not value the Shares solely based on the Group's net assets.

The theoretical dilution effect of the rights issue conducted by the Comparables (exclude the outliers) ranged from 1.67% to 24.51% with average and median discounts of approximately 13.37% and 13.47% respectively. The theoretical dilution effect of the Rights Issue of approximately 20.59% falls within the range of the Comparables (exclude the outliers) despite being higher than the average and the median of the Comparables (exclude the outliers).

Taking into account that (i) the Subscription Price generally falls below the Closing Price during the Review Period; and (ii) the discounts of the Subscription Price to the LTD Price, the 5-Day Discount Price, the NAV per Share and the theoretical dilution effect of the Rights Issue fall within discount ranges of the Comparables (exclude the outliers) despite being higher than the average and median of those of the Comparables (exclude the outliers), we have taken into account the following factors in determining whether the Subscription Price (together with its dilution effect) is fair and reasonable so far as the Independent Shareholders are concerned: (i) it is common for listed issuers in Hong Kong to issue rights shares at a discount to prevailing market prices in order to enhance the attractiveness of the Rights Issue; (ii) the higher discount of the Subscription Price could enhance the attractiveness of the Rights Issue and encourage the Qualifying Shareholders to participate in the Rights Issue; (iii) having assessed Group's negative cashflow from operating activities for HY2025 and the funding needs of the Group to repay of a portion of the Group's borrowings and replenish its working capital as discussed in the above section headed "2. Reasons for the Rights Issue, the Placing and use of proceeds" in this letter, which we consider reasonable given the Group's financial performance; (iv) the Rights Issue is considered to be a better financing alternative over bank borrowings, placing or open offer; (v) the theoretical dilution effect of the Rights Issue does not result in a theoretical dilution effect of 25% or more, which is in compliance with Rule 10.44A of the GEM Listing Rules; and (vi) all Qualifying Shareholders are offered an equal opportunity to subscribe for the Rights Shares under the Rights Issue and are offered the same discounts of the Subscription Price to the closing price of the Share

and the same potential maximum dilution. In light of the above, we are of the view that the Subscription Price (together with its dilution effect) is fair and reasonable so far as the Independent Shareholders are concerned, and also in alignment with the market practice.

Among the Comparables (exclude the outliers), we noted that 8 out of 16 Comparables (exclude the outliers) exercise placing in their rights issues. As such, we consider that it is reasonable for rights issue to have placing arrangements.

The Placing Agreement

Extracted key terms of the placing agreement entered into on 6 February are shown below:

Issuer	:	the Company
Placing Agent	:	Suncorp Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO, was appointed as the Placing Agent to procure, on a best effort basis, the Placees to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares during the Placing Period.
Placing price of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares (as the case maybe)	:	The placing price of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares shall be not less than the Subscription Price. The final price determination depends on the demand and market conditions of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares during the process of placement.
Commission	:	2.5% of the amount which is equal to the Placing price multiplied by the Unsubscribed Rights Shares and ES Unsold Rights Shares that have been successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement. The commission is not payable by the Company to the Placing Agent if the Placing Agreement has not become unconditional or is otherwise terminated in accordance with its terms.

Placees	:	The Unsubscribed Rights Shares and the ES Unsold Rights Shares are expected to be placed to the Placee(s) who and whose ultimate beneficial owner(s) shall not be the Shareholder(s) and shall be the Independent Third Party(ies). The Placing Agent will use its best endeavour to procure that (i) the Placing will not have any implications under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and (ii) the Company will continue to comply with the public float requirement under Rule 17.37B of the GEM Listing Rules upon completion of the Placing and the Rights Issue.

For further details, please refer to section headed "The Placing Agreement" in the Board Letter. As stated in the Board Letter, the engagement between the Company and the Placing Agent for the Unsubscribed Rights Shares and ES Unsold Rights Shares (including the commission payable) was determined after arm's length negotiation between the Company and the Placing Agent and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market condition. We are of the view that it is on normal commercial terms with reference to 15 rights issue exercises (exclude the outliers) conducted by other companies listed on the Stock Exchange during the Comparison Period, the commission charged by placing agent in a rights issue exercise conducted on a non-underwritten basis generally ranged between 1.00% to 3.00%, with an average of approximately 1.72% and a median of 1.63%. Despite the rate of placing commission for the Rights Issue is slightly above the average and median of the Comparables (exclude the outliers), it is within the range of the Comparables (exclude the outliers) and based on our analysis and evaluation on the Subscription Price set out in this letter above, we consider that the placing commission of 2.5% in the present case to be in line with market practice and is fair and reasonable as far as the Independent Shareholders are concerned.

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

The Unsubscribed Rights Shares and the ES Unsold Rights Shares will be placed by the Placing Agent to independent Placees after the Latest Time for Acceptance on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to the No Action Shareholders and Excluded Shareholders on a pro-rata basis.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the ES Unsold Rights Shares to the Company; (ii) an additional channel of participation in the Rights Issue for independent Qualifying Shareholders; and (iii) a compensatory mechanism for No Action Shareholders and the Excluded Shareholders, we concur with the view of the Directors that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company's minority Shareholders.

In particular, excess application is considered as a passive arrangement to facilitate additional participation of the Qualifying Shareholders. Taking into account the low liquidity of the Shares before the Last Trading Day, we consider it would be more desirable for the Company to adopt a more active measure by way of the Compensatory Arrangements to mitigate the uncertainty of the fundraising exercise.

Potential dilution effect

All Qualifying Shareholders are entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its existing shareholding in the Company held on the Record Date so as to maintain their proportionate interests in the Company and participate in the future growth of the Group. Any Unsubscribed Rights Shares or ES Unsold Rights Shares remain unplaced under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

The changes in shareholding structure of the Company arising from completion of the Rights Issue are set out in the section headed "EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY" in the Board Letter.

Immediately after the Capital Reorganisation and upon completion the Rights Issue, (i) assuming full acceptance by all Qualifying Shareholders under the Rights Issue; and (ii) assuming (a) no subscription by the Qualifying Shareholders; and (b) all the Placing Shares are placed to Independent Third Parties under the Placing, the shareholding interests of the Qualifying Shareholders will be diluted by up to a maximum of 50.00%, which fall within the range of the Comparables.

Despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the terms and structure of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue are able to sell the nil paid rights in the market; (ii) the Qualifying Shareholders who choose to accept their provisional entitlements in full can maintain their respective existing shareholding interests in the Company after the Rights Issue; (iii) the Rights Issue allows the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the recent market price of the Shares; and (iv) the discount of the Subscription Price to the current market price (taking into account the effect of

the Capital Reorganisation) will encourage them to participate in the Rights Issue, we are of the opinion that the potential dilution impact to the public Shareholders who do not participate in the Rights Issue as a result of the Rights Issue is acceptable.

Financial effects of the Rights Issue

Net tangible assets

In light of the above, we are of the view that the overall financial impact to the Group upon completion of the Rights Issue is in the interest of the Company and the Shareholders. According to the "UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP" set out in the Appendix II to the Circular, the unaudited consolidated net tangible assets of the Group attributable to owners of the Company was approximately HK$453.59 million as at 31 October 2025, while the unaudited consolidated net tangible assets per Share before completion of the Rights Issue was approximately HK$1.26; upon completion of the Rights Issue, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company would increase to approximately HK$536.79 million, while the unaudited pro forma adjusted consolidated net tangible assets per Share immediately after completion of the Rights Issue was approximately HK$0.75.

Gearing ratio and liquidity

According to the Interim Report 2025, as at 31 October 2025, the unaudited cash and cash equivalents of the Group was approximately HK$3.9 million. Immediately upon completion of the Rights Issue, the cash and cash equivalents of the Group is expected to increase by the expected net proceeds from the Rights Issue of approximately HK$83.2 million.

Upon the completion of the Rights Issue, the equity attributable to owners of Company would be enlarged by the expected net proceeds from the Rights Issue of approximately HK$83.2 million. The gearing ratio was approximately 47.9% as at 31 October 2025.

RECOMMENDATION

Taking into consideration of the principal factors and reasons as set out in this letter, in particular, (i) the Group's negative cashflow from operating activities for HY2025; (ii) the increase in the Group's borrowings in HY2025; (iii) the decrease in the Group's bank balances and cash in general accounts; (iv) the funding needs of the Group to repay of a portion of the Group's borrowings and replenish its working capital; (v) the Rights Issue being considered as a more preferential options as compared to other alternatives under the current circumstance of the Group; (vi) the positive impact on the Group's liquidity position as a result of the Rights Issue; and (vii) the Qualifying Shareholders can maintain and even increase their shareholding interest in the Company by participating into the Rights Issue, we are of the opinion that the terms of the Rights Issue are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and the Rights Issue including the transactions contemplated thereunder are in the interests of the Company and the Shareholder 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 ordinary resolution to be proposed at the SGM to approve the Rights Issue and the transaction contemplated thereunder.

Yours faithfully,
For and on behalf of
Vinco Financial Limited
Alister Chung
Managing Director

Note: Mr. Alister Chung is a licensed person registered with the Securities and Future Commission of Hong Kong and a responsible officer of Vinco Financial Limited to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong for over 10 years.

1. FINANCIAL SUMMARY

Financial information of the Group for each of the three financial years ended 30 April 2023, 2024 and 2025 and the six months ended 31 October 2025 were disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkex.com.hk) and the Company's website (www.wls.com.hk):

- annual report of the Company for the year ended 30 April 2023 published on 30 July 2023 (pages 67 to 191);

  (https://www1.hkexnews.hk/listedco/listconews/gem/2023/0730/2023073000011.pdf)

- annual report of the Company for the year ended 30 April 2024 published on 30 August 2024 (pages 64 to 171);

  (https://www1.hkexnews.hk/listedco/listconews/gem/2024/0830/2024083000715.pdf)

- annual report of the Company for the year ended 30 April 2025 published on 29 August 2025 (pages 60 to 159);

  (https://www1.hkexnews.hk/listedco/listconews/gem/2024/0830/2024083000715.pdf)

- interim report of the Company for the six months ended 31 October 2025 published on 28 January 2026 (pages 2 to 16)

  (https://www1.hkexnews.hk/listedco/listconews/gem/2026/0128/2026012800189.pdf)

2. STATEMENT OF INDEBTEDNESS

As at 31 January 2026, being the latest practicable date for this indebtedness statement prior to the printing of this Circular, the indebtedness of the Group was set out below:

	HK$'000
Bonds *(Note (a))*	140,800
Other borrowings *(Note (b))*	959
Lease liabilities – unsecured and unguarantee	124
	141,883

Notes:

a. The Group had coupon bonds included (i) a 2-year 6.5% coupon bond of HK$20.0 million issued by the Group on 3 June 2021; (ii) a 2-year 11% coupon bond of HK$5.0 million issued by the Group; (iii) a 2-year 6.5% coupon bond of HK$5.0 million issued by the Group; (iv) a 2-year 6.5% coupon bond of HK$3.0 million issued by the Group on 23 March 2022; (v) a 5-year 6.5% coupon bond of HK$5.8 million issued by the Group on 27 April 2022; (vi) a 3-year 10% coupon bond of HK$4.0 million issued by the Group on 3 February 2025; (vii) a 5-year 8% coupon bond of HK$42.0 million issued by the Group on 31 October 2020 and renewed on 1 February 2022 with 6.5% coupon rate; (viii) a 3-year 8.5% coupon bond of HK$20.0 million issued by the Group on 28 October 2019, renewed on 1 February 2022 with 6.5% coupon rate; (ix) a surety bond of HK$18.0 million issued by the Group on 16 September 2020 was with no interest bearing; and (x) a 2-year 8% coupon bond of HK$18.0 million issued by the Group.

   All bonds were unsecured and not guaranteed by third party.

b. The other borrowings included obligations under a finance leases for motor vehicles and a loan borrowing from a third party, which is interest-free and unsecured and not guaranteed.

Save as aforesaid and apart from intra-group liabilities, normal trade and other payables and contract liabilities, as at 31 January 2026, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages and charges, hire purchase commitments, material contingent liabilities or guarantees outstanding.

To the best knowledge of the Directors, having made all reasonable enquiries, (i) there has been no material change in indebtedness or contingent liabilities of the Group since the date of indebtedness; (ii) as at 31 January 2026, there were bonds payable with a principal amount of HK$93,000,000 were matured; (iii) the Group does not have material covenants relating to the above indebtedness; (iv) the Group has complied with all of the finance covenants up to the Latest Practicable Date; and (v) the Group does not have any material external debt financing plans as at the Latest Practicable Date.

3. WORKING CAPITAL

As at the Latest Practicable Date, the Company has obtained a working capital sufficiency confirmation letter from its auditor as required under Rule 12.26C of the GEM Listing Rules. The Directors, after due and careful consideration, are of the opinion that in the absence of unforeseeable circumstances, taking into account the existing cash and bank balances and other internal resources available to the Group and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this Circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 30 April 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up, and up to and including the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The principal activities of the Group are the provision of scaffolding, fitting out and other auxiliary services for construction and buildings work, money lending business and securities investment business.

According to the Company's interim report for the six months ended 31 October 2025, the Group recorded total revenue of approximately HK$39.5 million for the six months ended 31 October 2025, representing a decrease of approximately 15.6% from approximately HK$46.8 million for the six months ended 31 October 2024. Net profit attributable to owners of the Company for the six months ended 31 October 2025 was approximately HK$76.0 million, representing an increase of approximately 149.2% from approximately HK$30.5 million for the six months ended 31 October 2024. The decrease in revenue was mainly due to the decrease in scaffolding, fitting out and other auxiliary services business during the six months ended 31 October 2025. However, the increase in net profit attributable to owners of the Company was mainly due to the significant increase in fair value on financial assets through profit or loss for the six months ended 31 October 2025 as compared to the corresponding period in 2024.

Following a challenging year of 2025 marked by a slight revenue decline, the outlook for 2026 is cautiously optimistic, driven by a projected recovery in the Hong Kong construction market and sustained government infrastructure spending. The Group will continue to focus on scaffolding, fitting out and other auxiliary services for construction and buildings work; money lending and securities investment business. The Company's core construction services segment is poised to benefit from an anticipated market rebound, though it must navigate intense competition and evolving safety regulations within the scaffolding industry.

After a period of weakness, Hong Kong housing prices are projected to rebound in 2026, potentially supported by interest rate cuts and demand from mainland Chinese buyers. A recovery in the private property market would directly stimulate demand for the Group's fitting-out and scaffolding services for new developments and renovations. While, the fitting-out segment remains sensitive to the broader economic health and consumer confidence.

On the other hand, the scaffolding industry has become increasingly competitive. In response to demand from market development, many contractors have adopted the use of metal scaffolds instead of bamboo scaffolds nowadays. The general higher durability of metal scaffolds and the possibility of calculating load bearing capacity have shortened the time for training of workers. And recent safety concerns coming from the deadly fire tragedy, have prompted discussions about phasing out traditional bamboo scaffolding. The Group holds the view that the regulatory pressure may present an opportunity for the Group to gain market share if the Group can position itself as a provider of safer, modern, and more efficient scaffolding solutions.

After a few years of serious efforts to develop its money lending operations, the money lending business has generated stable income for the Year. The Group has adopted a more prudent and risk-averse strategy in its money lending segment, focusing on enhancing the requirements for loan approval, such as mandating asset or income proof provided by the borrowers. This cautious approach is expected to continue in 2026, prioritizing asset quality and risk mitigation over aggressive loan book expansion. The segment is likely to provide a steady, albeit modest, stream of interest income, provided the local economic environment remains stable.

Looking ahead to 2026, the Group's performance will be intrinsically linked to the positive momentum expected in the Hong Kong construction sector, particularly the government's commitment to infrastructure and the forecast rebound in the property market. The Group is reviewing its existing asset structure and business strategies and may make adjustments to our existing assets structure, with the aim of consolidating our resources, so as to be flexibly prepared for uncertainties in the future. Meanwhile, the Group will strictly adhere to its cost control policy and swiftly adjust business strategies of its scaffolding business in response to ever-changing market dynamics to generate better financial returns for shareholders.

Finally, the Group will actively explore all suitable investment opportunities to diversify the Group's business horizons and will work hard to strengthen overall business development. The Group's business strategy is in line with the general direction of the government's overall strategic development plans for property construction, infrastructure investment and financial market development.

6. PRINCIPAL RISKS AND UNCERTAINTIES

The Directors are aware that the Group is exposed to various risks, including risks which are specific to the Group or the industries in which the Group operates. The Directors have established a policy to ensure that significant risks which may adversely affect the Group are identified, reported, monitored, and managed on a continuous basis. The Group has identified the following risks that are considered to be significant to the Group and which may adversely and/or materially affect the Group's businesses, financial conditions, results of operations and growth prospects as at the Latest Practicable Date:

(a) Labour shortage

The Group's scaffolding business and fitting out services business are labour-intensive. In the event that there is a significant increase in the costs and demand of labour and the Group has to retain its labour by increasing their wages, the Group's staff costs and/or subcontracting costs will increase thereby lower the profitability. Further, if the Group or the Group's subcontractors fail to retain the Group's existing labour and/or recruit sufficient labour on a timely manner to cope with the need of the Group's existing or future projects, the Group may not be able to complete the projects on schedule and within budget. The Group's operations and profitability may be adversely affected.

In order to alleviate such risk, the Group is committed to providing our employees with a safe, pleasant and healthy working environment and competitive remuneration package with a view to retaining our labour.

(b) Failure to bid new contract

The Group's scaffolding business relies on successful tenders of contracts for scaffolding works and/or associated works. Given the nonrecurring nature of these contract awards and that the Group does not have long-term commitment with its customers, the number of contracts awarded to the Group may vary from year to year. Upon completion of the contracts on hand, the Group's financial performance may be adversely affected if the Group is unable to secure new tenders or obtain new contract awards with comparable contract sums or at all. In order to alleviate such risk, the Group believes that it can leverage on the existing relationship with the major customers to further develop new business opportunities in the future.

(c) Competition

The industries in which the Group operates are highly competitive, for example, the scaffolding industry and the money-lending industry. Areas of competition include contract price, production costs, marketing campaign, customer services and interest rates for money lending. If the Group does not respond timely to cope with the market conditions, it may adversely affect the consumer demand for the Group's services and products, the reputation of the Group and the Group's financial performance.

(d) Financial

The Group is exposed to financial risks, including credit, interest rate, currency, liquidity and other price risks. In addition, the Group's equity instruments at FVTOCI ("**fair value through other comprehensive income**") and financial assets at FVTPL ("**financial assets at fair value through profit or loss**") are measured at fair value at the end of each reporting period. Therefore, the Group is exposed to equity security price risk due to the fluctuation of fair value of equity instruments at FVTOCI and financial assets at FVTPL.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between shareholder return and a sound capital position. Adjustments are made, when necessary, to maintain an optimal capital structure in light of changes in economic conditions.

(e) Technology

The Group relies on information technology systems and networks, including internet and third-party hosted services for the Group's operation, inventory management and financial reporting. Any material disruption or slowdown of information technology systems, such as a disruption or slowdown caused by failure to successfully upgrade the Group's systems, system failures, viruses or cyber attacks could cause a loss of data or operation interruption. Therefore, the Group will continuously monitor and update, if necessary, relevant information technology systems and networks so as to reduce failure and keep up with the development of technology.

(f) Employees

The Group's success and ability to grow depends largely on its ability to attract, train, retain, and motivate highly skilled and qualified managerial, workers, marketing, administrative, operating, and technical personnel. The loss of key personnel could materially and adversely affect the Group's prospects and operations.

A. STATEMENT OF UNAUDITED PRO FORMA CONSOLIDATED NET TANGIBLE ASSETS

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

Introduction

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

The Unaudited Pro Forma Financial Information is prepared for illustrative purposes only, because of its hypothetical nature, it may not give a true picture of the condensed consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 October 2025 or at any future date; and

The Unaudited Pro Forma Financial Information of the Group as at 31 October 2025 is prepared by the Directors based on the unaudited condensed consolidated statement of financial position of the Group as at 31 October 2025, extracted from the Group's condensed consolidated financial statements for the six months ended 31 October 2025, on which an interim report has been published, with adjustments described below.

	Unaudited condensed consolidated net tangible assets attributable to owners of the Company as at 31 October 2025	**Unaudited estimated net proceeds from the Rights Issue**	**Unaudited pro forma adjusted condensed consolidated net tangible assets attributable to owners of the Company as at 31 October 2025 immediately after the completion of the Rights Issue**	**Unaudited condensed consolidated net tangible assets attributable to owners of the Company per Adjusted Share as at 31 October 2025 before the completion of the Rights Issue**	**Unaudited Pro forma adjusted condensed consolidated net tangible assets attributable to owners of the Company per Adjusted Share as at 31 October 2025 immediately after the completion of the Rights Issue**
	HK$'000	*HK$'000*	*HK$'000*	*HK$*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 4)*	*(Note 5)*
Based on one Rights Share to be issued for every one Adjusted share at the subscription price of HK$0.24 per Rights Share	453,585	83,200	536,785	1.26	0.75

Notes:

1. The condensed consolidated net tangible assets of the Group attributable to owners of the Company of approximately HK$453,585,000 as at 31 October 2025 is based on the condensed consolidated net assets of the Group attributable to owners of the Company as at 31 October 2025 of approximately HK$453,702,000 less right-of-use assets of approximately HK$117,000, as extracted from the published interim report of the Group for the six months ended 31 October 2025.

2. The estimated net proceeds from the Rights Issue of approximately HK$83,200,000 are based on one Rights Share to be issued at the Subscription Price of HK$0.24 per Rights Share and after deducting estimated related expenses, including among others, placing commission, legal and professional fees, which are directly attributable to the Rights Issue, of approximately HK$3,000,000.

3. The Company has proposed the share consolidation of every forty (40) issued shares of the Company into one (1) consolidated share in this Circular (the "**Share Consolidation**"). By way of illustration, the 14,367,101,072 shares of the Company in issue as at 31 October 2025 would be consolidated into 359,177,526 shares after the completion of the Share Consolidation ("**Adjusted Share(s)**"), assuming the Share Consolidation had been completed on 31 October 2025. The details of the Share Consolidation are set out in this Circular of the Company, heading "PROPOSED CAPITAL REORGANISATION".

4. The calculation of unaudited condensed consolidated net tangible assets of the Group attributable to owners of the Company as at 31 October 2025 per Adjusted Share before the completion of the Rights Issue is based on the unaudited condensed consolidated net tangible assets of the Group as at 31 October 2025 of approximately HK$453,585,000, divided by 359,177,526 Adjusted Shares.

5. The calculation of audited pro forma adjusted condensed consolidated net tangible assets of the Group attributable to owners of the Company as at 31 October 2025 per Adjusted Share immediately after the completion of the Rights Issue is based on unaudited pro forma adjusted condensed consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 October 2025 immediately after the completion of the Rights Issue of approximately HK$536,785,000, being the aggregate unaudited condensed consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 October 2025 of approximately HK$453,585,000 and the estimated net proceeds from the Rights Issue of approximately HK$83,200,000, divided by 718,355,052 Adjusted Shares which represents the sum of 359,177,526 Adjusted Shares and 359,177,526 Rights Shares (assuming no new shares are issued and no repurchase of shares on or before the Record Date) were issued immediately after the completion of the Rights Issue, as if the Rights Issue had been completed on 31 October 2025.

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

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

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

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

The Board of Directors of
WLS Holdings Limited

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

We have completed our assurance engagement to report on the compilation of pro forma financial information of WLS Holdings Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted condensed consolidated net tangible assets as at 31 October 2025 and related notes as set out on pages II-1 to II-2 of the circular issued by the Company dated 20 March 2026 (the "**Circular**"). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described in Section A of Appendix II of the Circular.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the proposed rights issue on the basis of 1 rights share for every one Adjusted share (the "**Rights Share**") (as defined in note 3 of Appendix II) at the subscription price of HK$0.24 per rights share (the "**Rights Issue**") on the Group's condensed consolidated financial position as at 31 October 2025 as if the Rights Issue had taken place at 31 October 2025. As part of this process, information about the Group's condensed consolidated financial position has been extracted by the directors of the Company from the Group's condensed consolidated financial statements for the six months ended 31 October 2025, on which an interim 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 GEM Listing Rules 7.31 and with reference to Accounting Guideline ("**AG**") 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

OUR INDEPENDENCE AND QUALITY MANAGEMENT

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

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

REPORTING ACCOUNTANT'S RESPONSIBILITIES

Our responsibility is to express an opinion, as required by GEM Listing Rules 7.31, 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 Circular, issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the unaudited pro forma financial information in accordance with GEM Listing Rules 7.31 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 pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the Rights Issue had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue at 31 October 2025 would have been as presented.

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

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

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

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

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

OPINION

In our opinion:

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

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

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

Yours faithfully,
Infinity CPA Limited
Certified Public Accountants
Hong Kong

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; (ii) immediately following the completion of the Capital Reorganisation but before the completion of the Rights Issue; and (iii) immediately following the completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to and including the Record Date other than as a result of the Capital Reorganisation) will be, as follows:

(a) As at the Latest Practicable Date:

Authorised:		*HK$*
40,000,000,000	Existing Shares of HK$0.01 each	400,000,000
Issued and fully paid:		
14,367,101,072	Existing Shares of HK$0.01 each	143,671,101.72

(b) Immediately after the Capital Reorganisation becomes effective

Authorised:		*HK$*
40,000,000,000	Adjusted Shares of HK$0.01 each	400,000,000
Issued and fully paid:		
359,177,526	Adjusted Shares of HK$0.01 each	3,591,775.26

(c) Immediately after completion of the Rights Issue assuming maximum number of Rights Issued to be issued

Authorised:		*HK$*
40,000,000,000	Adjusted Shares of HK$0.01 each	400,000,000
Issued and fully paid:		
718,355,052	Adjusted Shares of HK$0.01 each	7,183,550.52

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

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

As at the Latest Practicable Date, the Company had no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into Shares. The Company did not have any other options, warrants or other convertible securities or rights affecting the Shares and no capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

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

As at the Latest Practicable Date, the Company does not hold any treasury shares.

3. DISCLOSURE OF INTERESTS

(a) Interests of Directors and chief executive of the Company

As at the Latest Practicable Date, none of the Directors or chief executive of the Company and/or any of their respective associates had or was deemed to have any interests and short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or which were required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO, or otherwise which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

(b) Interests of substantial shareholders

As at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or who was expected, directly or indirectly, to be interested in 5% or more of the nominal value of any class of the share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other persons who had any 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 which would be recorded in the register required to be kept under Section 336 of the SFO, who are directly or indirectly interested in 5% or more of the Shares.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group other than contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or any of their close associates has any interest in business which competes with or may compete with the business of the Group or has any other conflict of interests which any person has or may have with the Group.

6. MATERIAL LITIGATION

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

7. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENTS

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

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

8. MATERIAL CONTRACTS

Save for the Placing Agreement, no material contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or any other its subsidiaries within two years immediately preceding the date of this circular and up to the Latest Practicable Date.

9. QUALIFICATION AND CONSENT OF EXPERTS

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

Name	Qualification
Vinco Financial Limited	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Infinity CPA Limited	Certified Public Accountants

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

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

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

10. EXPENSES

The expenses payable by the Company in connection with the Rights Issue, including Independent Financial Adviser fees, placing commission, printing, registration, translation, legal and accounting fees, are estimated to be approximately HK$3.0 million.

11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Board of Directors	:	*Executive Directors* Mr. Li Zhenxing Mr. Ma Pun Fai *Independent non-executive Directors* Mr. Lo Ka Ki Ms. Gong Qiuyun Ms. Chan Ka Yee *Audit committee* Mr. Lo Ka Ki *(Chairman)* Ms. Gong Qiuyun Ms. Chan Ka Yee *Nomination committee* Ms. Gong Qiuyun *(Chairman)* Mr. Lo Ka Ki Ms. Chan Ka Yee *Remuneration committee* Ms. Gong Qiuyun *(Chairman)* Mr. Lo Ka Ki Ms. Chan Ka Yee
Registered office	:	Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 11, Bermuda
Head office and principal place of business in Hong Kong	:	Rooms 1001-1006, 10th Floor, Tower A, Southmark, No. 11 Yip Hing Street, Wong Chuk Hang, Aberdeen, Hong Kong
Authorised representatives	:	Mr. Ma Pun Fai Mr. Fu Yan Ming
Compliance officer	:	Mr. Ma Pun Fai

Company secretary	:	Mr. Fu Yan Ming *(a fellow member of The Association of Chartered Certified Accountants)*
Share Registrar in Hong Kong	:	Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
Principal banker	:	DBS Bank (Hong Kong) Limited The Hongkong and Shanghai Banking Corporation Limited Bank of China (Hong Kong) Limited Bank of Communications Co., Ltd.
Auditors and reporting accountants	:	Infinity CPA Limited Certified Public Accountants Room 1501, 15/F, Olympia Plaza 255 King's Road, North Point Hong Kong
Legal adviser to the Company as to Hong Kong laws	:	Cheng & Kwan Lawyers in association with Silkroad Anchorite & Sage (Hong Kong) Law Firm Room A1, 21/F, Loyong Court Commercial Building, 212-220 Lockhart Road, Wanchai, Hong Kong
Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders	:	Vinco Financial Limited Unit 2808, 28/F, The Center, 99 Queen's Road Central, Hong Kong
Placing Agent	:	Suncorp Securities Limited Room 2305, 23/F, The Centre, 99 Queen's Road Central, Hong Kong

12. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board comprises all the independent non-executive Directors, namely Mr. Lo Ka Ki, Ms. Gong Qiuyun and Ms. Chan Ka Yee, being 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.

13. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Li Zhenxing, aged 37, graduated from the Guangdong Nanhua Vocational College of Industry and Commerce with a diploma in Information Engineering and Business Management. Mr. Li Zhenxing has over ten years of experience in sales and marketing operations. Mr. Li Zhenxing served as the South China business development manager of a technology company and was mainly responsible for overseeing the company's sales and marketing promotion operations and sales planning in South China.

Mr. Ma Pun Fai, aged 57, has over 30 years' experience in administration and management. He is currently a managing director in a local electronics company. Mr. Ma had been working in the entertainment and advertising industry for six years, and was responsible for administrative and managerial work in several domestic and foreign enterprises. Mr. Ma was an executive director of China 33 Media Group Limited (stock code: 8087) from 25 August 2015 to 23 June 2025.

Independent non-executive Directors

Mr. Lo Ka Ki, aged 46, was appointed as an independent non-executive Director with effect from 26 February 2018. Mr. Lo has obtained his master degree of professional accounting from The Hong Kong Polytechnic University in October 2009. He is a practising member of the HKICPA and a fellow member of the ACCA. Mr. Lo has over 20 years of experience in audit and business advisory services and is currently the managing director of a CPA practice. Mr. Lo has previously held senior positions in an international accounting firm and a company listed on the Main Board of the Stock Exchange. Currently, he is an independent non-executive Director of China Smarter Energy Group Holdings Limited (Stock Code: 1004), a company whose shares are listed on the Main Board of the Stock Exchange.

Ms. Gong Qiuyun, aged 36, was appointed as an independent non-executive Director with effect from 11 April 2024. She was graduated from the Guangdong University of Science and Technology in 2011. Ms. Gong is administrative manager at Shenzhen Shenxing Technology Development Co., Ltd with extensive experience in corporate culture construction and corporate governance.

Ms. Chan Ka Yee, aged 38, holds a Bachelor's Degree of International Business (Japan Studies) from The City University of Hong Kong in 2008. Ms. Chan has over a decade of experience managing corporate business relationships. Currently, she is a secretary to the chief executive officer of a company listed on The Stock Exchange of Hong Kong Limited, where she supporting senior executives and overseeing business relationships within a corporate setting.

Company Secretary

Mr. Fu Yan Ming, aged 59, is a fellow member of The Association of Chartered Certified Accountants. He obtained a Bachelors' Degree of Business Administration from The Chinese University of Hong Kong in 1988. Mr. Fu possess over 30 years of experience in accounting, audit, internal control, financial management, strategic business planning, corporate finance, merger and acquisition and

corporate governance. He has worked for various sizeable organizations including accounting firm, logistic company, TMT (Technology, Media and Telecommunications) companies, manufacturing companies and consultancy firm. During the past 20 years, he held various senior positions including financial controller and company secretary in main and GEM board listed companies of Hong Kong. Mr. Fu was an executive director of On Real International Holdings Limited, a company listed on the GEM Board of the Stock Exchange (stock code: 8245) from October 2016 to September 2019. He was the company secretary and authorised representative of Titan Petrochemicals Group Limited (stock code: 1192) since January 2023 and the company was delisted on 23 August 2023. Currently, he is the independent non-executive director of Wuxi Life International Holdings Group Limited (stock code: 8148) and Zhejiang United Investment Holdings Group Limited (stock code: 8366). He is also the company secretary, authorised representative and process agent of China 33 Media Group Limited (stock code: 8087).

Business address of the Directors and senior management

The business address of the Directors and the senior management is the same as the Company's head office and principal place of business in Hong Kong at Rooms 1001-1006, 10th Floor, Tower A, Southmark, No. 11 Yip Hing Street, Wong Chuk Hang, Aberdeen, Hong Kong.

14. DOCUMENTS ON DISPLAY

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

(a) the letter of recommendation from the Independent Board Committee, the text of which is set out on page 39 of this circular;

(b) the letter of advice from the Independent Financial Adviser, the text of which is set out on pages 40 to 63 of this circular;

(c) the accountants' report on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this circular;

(d) the material contracts referred to in the paragraph headed "8. Material Contracts" of this appendix; and

(e) the written consent referred to in paragraph headed "9. Qualification and Consent of Experts" of this appendix.

15. MISCELLANEOUS

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

(b) As at the Latest Practicable Date, the Company has no significant exposure to foreign exchange liabilities.

(c) In the event of any inconsistency, the English texts of this circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

WLS Holdings Limited
滙隆控股有限公司*

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 8021)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the "**SGM**") of WLS Holdings Limited the "**Company**") will be held at Portion 2, 12th Floor, The Centre, 99 Queen's Road Central, Hong Kong on Tuesday, 14 April 2026 at 11:00 a.m., for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolutions of the Company:

SPECIAL RESOLUTION

1. "**THAT** subject to and conditional upon: (i) the GEM Listing Committee of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") granting the listing of, and permission to deal in, the Adjusted Shares (as defined below) arising from the Capital Reorganisation (as defined below); and (ii) the requirements under the Companies Act 1981 of Bermuda (as revised) and applicable laws of Bermuda to effect the Capital Reorganisation, which includes the directors of the Company (the "**Directors**") being satisfied that on the date the Capital Reorganisation is to take effect, there are no reasonable grounds for believing that the Company is, or after the Capital Reorganisation would be, unable to pay its liabilities as they become due; (iii) the compliance with the bye-laws of the Company (the "**Bye-laws**"), the laws of Bermuda and the Rules Governing the Listing of Securities on GEM of the Stock Exchange to effect the Capital Reorganisation, with effect from the second business day immediately following the day of passing of this resolution:

   (a) every forty (40) issued and unissued ordinary shares of par value of HK$0.01 each (the "**Existing Share(s)**") in the share capital of the Company will be consolidated into one (1) ordinary share of par value of HK$0.40 (the "**Consolidated Share(s)**") (the "**Share Consolidation**");

   (b) immediately following the Share Consolidation becoming effective, the issued share capital of the Company shall be reduced by (a) an elimination of any fraction of a Consolidated Share arising from the Share Consolidation in order to round down the total number of the Consolidated Shares to a whole number, and (b) a cancellation of HK$0.39 of the paid-up capital of the Company on each issued Consolidated Share so that immediately following the Capital Reduction, each issued Consolidated Share will be treated as one (1) fully paid-up share of par value HK$0.01 each in the share capital of the Company (the "**Adjusted Share(s)**") (the "**Capital Reduction**") and the issued share capital of the Company will be reduced from an amount of HK$143,671,010.72 by HK$140,079,235.46 to HK$3,591,775.26;

(c) immediately following the Share Consolidation and the Capital Reduction, each of the authorised but unissued Consolidated Shares of par value of HK$0.40 each be subdivided into forty (40) Adjusted Shares of par value of HK$0.01 each (the "**Share Sub-division**") so that immediately following the Share Consolidation, the Capital Reduction and the Share Sub-division, the authorised share capital of the Company will become HK$400,000,000 divided into 40,000,000,000 Adjusted Shares, each with a par value of HK$0.01;

(d) the Adjusted Shares shall rank *pari passu* in all respects with each other and have such rights and be subject to such restrictions as set out in the Bye-laws;

(e) immediately following the Capital Reduction and Share Sub-division becoming effective, the entire amount of approximately HK$560.23 million standing to the credit of the share premium account of the Company be reduced (the "**Share Premium Reduction**", together with the Share Consolidation, Sub-division and the Capital Reduction, the "**Capital Reorganisation**") to nil;

(f) the entire credit amount arising from the Capital Reduction and the Share Premium Reduction of approximately HK$700.31 million be transferred to the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda (as revised) to then be applied to set off the accumulated losses of the Company as at the effective date of the Capital Reorganisation or be applied by the board of Directors in a manner as permitted by the Bye-laws and all applicable laws of Bermuda from time to time without further authorisation from the shareholders of the Company;

(g) the Directors be and are hereby authorised to apply the amount standing to the credit of the contributed surplus account of the Company, if any, in such manner as they consider appropriate; and

(h) any one of the Directors be and is hereby authorised to do all such acts and things and execute and deliver all such documents, which are ancillary to the Capital Reorganisation, on behalf of the Company, including under common seal where applicable, as such director may consider necessary, desirable or expedient to carry out or give effect to any or all of the foregoing arrangements in respect of the Capital Reorganisation."

ORDINARY RESOLUTION

2. "**THAT** subject to and conditional upon the passing of the resolution numbered 1, and the fulfilment of all the conditions set out in the letter from the board under the heading "Conditions of the Rights Issue" in the circular of the Company dated 20 March 2026:

(a) the allotment and issue of up to 359,177,526 Adjusted Shares of HK$0.01 each (the "**Rights Shares**") pursuant to an offer by way of rights to the shareholders of the Company (the "**Shareholders**") at the subscription price of HK$0.24 per Rights Share (the "**Subscription Price**") on the basis of one (1) Rights Share for every one (1) Adjusted Share held by the Shareholders ("**Qualifying Shareholders**") whose names appear on the register of members

of the Company on 24 April, 2026, or such other date as may be determined by the Company for determining entitlements of Shareholders to participate in the Rights Issue (as defined below) (the "**Record Date**"), as described in further details in a circular issued by the Company dated 20 March 2026 (a copy of which has been produced to the SGM marked "A" and signed by the chairman of the SGM for the purpose of identification), save for the Shareholders whose addresses as of the Record Date are outside of Hong Kong (if any) to whom the Directors, based on legal opinions to be provided by the legal advisers to the Company, consider it necessary or expedient not to offer the Rights Shares on account either of the legal restrictions under the laws of the relevant place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s) ("**Excluded Shareholders**"), and on and subject to such terms and conditions as may be determined by the Directors (the "**Rights Issue**"), be and is hereby approved, confirmed and ratified;

(b) the terms of, and the Company's entry into and performance of the placing agreement dated 6 February 2026 entered into between the Company and Suncorp Securities Limited (a copy of which has been produced to the SGM marked "B" and signed by the chairman of the SGM for the purpose of identification), in relation to the placing of the Rights Shares not subscribed by the Qualifying Shareholders and/or the Rights Share(s) which would otherwise has/have been provisionally allotted to the Excluded Shareholder(s) in nil-paid form that has/have not been sold by the Company at the placing price of not less than the Subscription Price on a best effort basis, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

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

(d) any one of the Directors be and is hereby authorised to do all such acts and things and execute all such documents, which are ancillary to the Rights Issue, as such Director may consider necessary, desirable or expedient to implement or give effect to any matters in connection with the Rights Issue."

By order of the Board
WLS Holdings Limited
Li Zhenxing
Executive Director

Hong Kong, 20 March 2026

Registered office:
Victoria Place,
5th Floor,
31 Victoria Street,
Hamilton HM 11,
Bermuda

Principal place of business:
Rooms 1001-1006,
10th Floor,
Tower A, Southmark,
No. 11 Yip Hing Street,
Wong Chuk Hang,
Aberdeen,
Hong Kong

Notes:

1. An eligible shareholder is entitled to appoint one or more proxies to attend, speak and vote in his/her stead at the SGM (or at any adjournment of it) provided that each proxy is appointed to represent the respective number of shares held by the shareholder as specified in the relevant proxy forms. The proxy does not need to be a shareholder of the Company.

2. Where there are joint registered holders of any shares, any one of such persons may vote at the SGM (or at any adjournment of it), either personally or by proxy, in respect of such shares as if he/she were solely entitled thereto but the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

3. A proxy form for use at the SGM is enclosed.

4. In order to be valid, the completed proxy form must be received by the Hong Kong branch share registrar and transfer office of the Company, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, at least 48 hours before the time appointed (i.e. Tuesday, 14 April 2026 at 11:00 a.m.) for holding the SGM or adjourned meeting (as the case may be). If a proxy form is signed by an attorney of a shareholder who is not a corporation, the power of attorney or other authority under which it is signed or a certified copy of that power of attorney or authority (such certification to be made by either a notary public or a solicitor qualified to practice in Hong Kong) must be delivered to the Hong Kong branch share registrar and transfer office of the Company together with the proxy form. In the case of a corporation, the proxy form must either be executed under its common seal or be signed by an officer or agent duly authorised in writing.

5. For the purposes of determining shareholders' eligibility to attend, speak and vote at the SGM (or at any adjournment of it), the register of members of the Company will be closed from Thursday, 9 April 2026 to Tuesday day, 14 April 2026 (both dates inclusive), during which period no transfer of shares of the Company will be registered. To be eligible to attend, speak and vote at the above meeting (or at any adjournment of it), all properly completed transfer documents accompanied by the relevant share certificate must be lodged with the Hong Kong branch share registrar and transfer office of the Company, for registration not later than 4:30 p.m. on Wednesday, 8 April 2026.

6. The voting at the meeting or its adjourned meeting will be taken by poll.

7. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning signal or "extreme conditions" announced by the Hong Kong Government is/are in force in Hong Kong any time after 7:30 a.m. on the date of the SGM, the meeting will be postponed. The Company will publish an announcement on the website of the Company at www.wls.com.hk and on the HKExnews website of the Stock Exchange at www.hkexnews.hk to notify shareholders of the date, time and venue of the rescheduled meeting.