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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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

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# MADISON

GROUP

## Madison Holdings Group Limited

### 麥迪森控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 08057)

- (1) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
  - (2) PROPOSED SHARE CONSOLIDATION;
  - (3) PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY TWO (2) CONSOLIDATED SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS;
  - (4) THE COMPENSATORY ARRANGEMENTS AND THE PLACING AGREEMENT;
  - (5) PROPOSED AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION OF THE COMPANY;
- AND
- (6) NOTICE OF EXTRAORDINARY GENERAL MEETING

Placing Agent to the Rights Issue



Independent Financial Adviser to  
the Independent Board Committee and Independent Shareholders



紅日資本有限公司  
RED SUN CAPITAL LIMITED

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A letter from the Board is set out on pages 13 to 43 of this circular and a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 44 to 45 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages IFA-1 to IFA-25 of this circular.

It should be noted that the Consolidated Shares will be dealt in on an ex-rights basis from Tuesday, 19 May 2026. Dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 2 June 2026 to Tuesday, 9 June 2026 (both days inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Tuesday, 2 June 2026 to Tuesday, 9 June 2026 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

A notice convening an extraordinary general meeting of the Company to be held at 10:00 a.m. on Thursday, 14 May 2026 at Units 801-802, 8/F, One Island South, 2 Heung Yip Road, Wong Chuk Hang, Hong Kong is set out on pages EGM-1 to EGM-5 of this circular. Whether or not you are able to attend the extraordinary general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours (i.e. 10:00 a.m. on Tuesday, 12 May 2026) before the time appointed for holding the extraordinary general meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the extraordinary general meeting or any adjourned meeting thereof should you so desire and in such event, the form of proxy shall be deemed to be revoked.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares and is subject to the fulfilment of conditions. Please refer to the section headed “Letter from the Board — Conditions of the Rights Issue” in this circular. In the event that the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders or holders of nil-paid Rights Shares together with the NQS Rights Shares will be placed to independent places on a best effort basis under the Compensatory Arrangements. Any Unsubscribed Rights Shares and NQS Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

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

23 April 2026

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## CHARACTERISTICS OF GEM

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

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

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## DEFINITIONS

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

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Announcements”	the announcements of the Company dated 5 March 2026 and 15 April 2026 in relation to, among other things, the Increase in Authorised Share Capital, the Share Consolidation, the Rights Issue, the Placing, the Proposed Amendments and the proposed adoption of the New M&A and the respective transactions contemplated thereunder
“Articles”	the articles of association of the Company
“associate(s)”	has the meaning ascribed to such term in the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding Saturday, Sunday or public or statutory holiday in Hong Kong and any day on which a tropical cyclone warning No. 8 or above is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“close associate(s)”	has the meaning ascribed to such term in the GEM Listing Rules
“Company”	Madison Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued ordinary shares of which are listed on GEM of the Stock Exchange (stock code: 8057)

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## DEFINITIONS

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“Compensatory Arrangements”	the compensatory arrangements pursuant to Rule 10.31(1)(b) of the GEM Listing Rules as described in the section headed “Procedures in respect of the Unsubscribed Rights Shares and NQS Rights Shares and the Compensatory Arrangements” in this circular
“connected person(s)”	has the meaning ascribed to such term in the GEM Listing Rules
“Consolidated Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“controlling shareholder(s)”	has the meaning ascribed to such term in the GEM Listing Rules
“core connected person(s)”	has the meaning ascribed to such term in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Units 801-802, 8/F, One Island South, 2 Heung Yip Road, Wong Chuk Hang, Hong Kong on Thursday, 14 May 2026 at 10:00 a.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the extraordinary general meeting which is set out on pages EGM-1 to EGM-5 of this circular, or any adjournment thereof
“Existing M&A”	the amended and restated memorandum of association and articles of association of the Company dated 9 August 2022
“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company prior to the Share Consolidation becoming effective
“GEM Listing Committee”	has the same meaning ascribed to such term in the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange

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## DEFINITIONS

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“General Rules of CCASS”	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, and “members of the Group” shall mean the Company and/or any of its subsidiary(ies)
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time in effect
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Increase in Authorised Share Capital”	the proposed increase of the authorised share capital of the Company from HK\$10,000,000 divided into 1,000,000,000 Existing Shares to HK\$20,000,000 divided into 2,000,000,000 Existing Shares by the creation of an additional 1,000,000,000 new Existing Shares
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, which has been established to make recommendations to the Independent Shareholders in respect of the terms of the Rights Issue, the Placing Agreement, and as to the voting action therefor
“Independent Financial Adviser”	Red Sun Capital Limited, a licensed corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, appointed by the Company with the approval of the Independent Board Committee for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, the Placing Agreement, and as to the voting action therefor

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## DEFINITIONS

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“Independent Shareholder(s)”	the Shareholders other than Mr. Ting and his associates and any Shareholders who are involved in, or interested in (other than by being a Shareholder), or have a material interest in the Rights Issue, the Placing Agreement and the transactions contemplated thereunder
“Independent Third Party(ies)”	third party(ies) independent of the Company and any connected person(s) of the Company and not a connected person of the Company
“inside information”	has the meaning defined in the SFO as amended from time to time
“Last Trading Day”	5 March 2026, being the last trading day of the Shares immediately prior to the release of the Announcement
“Latest Acceptance Date”	Friday, 12 June 2026
“Latest Practicable Date”	Monday, 20 April 2026, being the latest practicable date for ascertaining certain information contained in this circular
“Latest Time for Acceptance”	4:00 p.m. on Friday, 12 June 2026
“Latest Time for Termination”	4:00 p.m. on Monday, 6 July 2026
“Mr. Ting”	Mr. Ting Pang Wan, Raymond, a controlling shareholder of the Company interested in a total of 264,672,915 Existing Shares, representing approximately 42.47% of the issued share capital of the Company
“New M&A”	the amended and restated memorandum of association and articles of association of the Company proposed to be approved by the Shareholders at the EGM
“No Action Shareholder”	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounces, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed, or Non-Qualifying Shareholders (as the case may be)

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## DEFINITIONS

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“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) whom the Directors, after making enquiries regarding the legal restrictions under the laws of the relevant jurisdictions or the requirements of the relevant overseas regulatory bodies or stock exchanges, consider it necessary or expedient to exclude them from the Rights Issue
“NQS Rights Shares”	the Rights Share(s) which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form
“Overseas Letter”	a letter from the Company to the Non-Qualifying Shareholder(s) (if any) explaining the circumstances in which the Non-Qualifying Shareholder(s) (if any) is/are not permitted to participate in the Rights Issue
“Overseas Shareholders”	the Shareholder(s) (whose names appear on the register of members of the Company at the close of business on the Record Date) with registered address(es) 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)”	professional, institutional or other investor(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies) and not parties acting in concert with it and/or the connected persons of the Company, procured by the Placing Agent and/or its sub-placing agent(s) to subscribe for any of the Unsubscribed Rights Shares pursuant to the Placing Agreement
“Placing”	the placing of a maximum of 93,469,083 Unsubscribed Rights Shares on a best effort basis by the Placing Agent and/or its sub-placing agents(s) to the Placees on the terms and conditions of the Placing Agreement
“Placing Agent”	Advent Securities (Hong Kong) Limited, a licensed corporation to carry out type 1 (dealing in securities) regulated activity under the SFO
“Placing Agreement”	the placing agreement dated 5 March 2026 (as amended and supplemented by the Supplemental Placing Agreement), entered into between the Company and the Placing Agent in relation to the Compensatory Arrangements

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## DEFINITIONS

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“Placing Period”	the period commencing from Monday, 22 June 2026 to 3 July 2026
“PRC”	the People’s Republic of China, which for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Proposed Amendments”	the proposed amendments to the Existing M&A in respect of the Increase in Authorised Share Capital and the Share Consolidation
“Prospectus”	the prospectus to be issued to the Qualifying Shareholders (and the Non-Qualifying Shareholder(s) for information only) containing, among other things, details of the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL
“Prospectus Posting Date”	Friday, 29 May 2026 or such other date as may be determined by the Company, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders and the Prospectus is posted for information only to the Non-Qualifying Shareholders
“Qualifying Shareholder(s)”	Shareholders, other than the Non-Qualifying Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	Thursday, 28 May 2026, or on such other date as may be agreed determined by the Company, being the date by reference to which the Shareholders’ entitlements to the Rights Issue are to be determined
“Registrar”	Tricor Investor Services Limited, the Company’s Hong Kong branch share registrar and transfer office, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Issue”	the proposed issue by way of rights of three (3) Rights Shares for every two (2) Consolidated Shares in issue on the Record Date at the Subscription Price pursuant to the Prospectus Documents

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## DEFINITIONS

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“Rights Shares”	93,469,083 new Consolidated Shares proposed to be allotted and issued under 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)
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder’s Loans”	the loan in the amount of approximately HK\$96.60 million owing by the Company to Mr. Ting as at the Latest Practicable Date
“Shares”	the Existing Share(s) and/or the Consolidated Share(s), as the case may be
“Share Consolidation”	the proposed share consolidation of every ten (10) issued and unissued Existing Shares of par value of HK\$0.01 each into one (1) Consolidated Share of par value of HK\$0.10 each
“Share Option Scheme”	the share option scheme adopted by the Company on 21 September 2015
“SRA”	SRA Holdings, Inc., being a company incorporated in Japan and a shareholder of the Company which is interested in approximately 6.49% equity interests of the Company as at the Latest Practicable Date
“SRA Loan”	a loan in the outstanding principal amount of JPY1,340,000,000 owed by Wine Financier Limited, a non wholly-owned subsidiary of the Company, to SRA Holdings, Inc. as at the Latest Practicable Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.486 per Rights Share
“substantial shareholder”	has the meaning ascribed to it under the GEM Listing Rules

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## DEFINITIONS

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“Supplemental Placing Agreement”	the supplemental placing agreement entered into between the Company and the Placing Agent and dated 15 April 2026 to amend certain terms of the Placing Agreement
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Unsubscribed Rights Shares”	those Rights Shares that are not subscribed by the Qualifying Shareholders and the NQS Rights Shares that are not successfully sold by the Company
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

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## EXPECTED TIMETABLE

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*The expected timetable for the Rights Issue and Share Consolidation is set out below and is subject to change. Any such change will be announced by the Company as and when appropriate.*

Events	Time and date
Latest time for lodging transfer documents of the Shares to qualify for attendance and voting at the EGM .....	4:30 p.m. on Thursday, 7 May 2026
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the EGM (both dates inclusive) .....	Friday, 8 May 2026 to Thursday, 14 May 2026
Latest time for lodging proxy forms for the EGM .....	10:00 a.m. on Tuesday, 12 May 2026
Record date for attendance and voting at the EGM .....	Thursday, 14 May 2026
Expected date and time of the EGM .....	10:00 a.m. on Thursday, 14 May 2026
Announcement of the poll results of the EGM .....	Thursday, 14 May 2026
Register of members re-opens .....	Friday, 15 May 2026
<b>The following events are conditional upon the results of the EGM and therefore the dates are tentative only.</b>	
Effective date of the Share Consolidation .....	Monday, 18 May 2026
Commencement of dealings in the Consolidated Shares .....	9:00 a.m. on Monday, 18 May 2026
Original counter for trading in Existing Shares in board lots of 4,000 Existing Shares (in the form of existing share certificates) temporarily closes .....	9:00 a.m. on Monday, 18 May 2026
Temporary counter for trading in Consolidated Shares in board lots of 400 Consolidated Shares (in the form of existing share certificates) opens .....	9:00 a.m. on Monday, 18 May 2026
First day for free exchange of existing share certificates into new share certificates for the Consolidated Shares .....	Monday, 18 May 2026

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## EXPECTED TIMETABLE

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Last day of dealings in Consolidated Shares on cum-rights basis	Monday, 18 May 2026
First day of dealings in the Consolidated Shares on an ex-rights basis relating to the Rights Issue	Tuesday, 19 May 2026
Latest date and time for lodging transfer documents of the Consolidated Shares in order for the transferees to qualify for the Rights Issue	4:30 p.m. on Wednesday, 20 May 2026
Closure of register of members to determine the eligibility of the Rights Issue (both dates inclusive)	Thursday, 21 May 2026 to Thursday, 28 May 2026
Record date for the Rights Issue	Thursday, 28 May 2026
Register of members re-opens	Friday, 29 May 2026
Despatch of the Prospectus Documents (including the PAL and the Prospectus)(in case of the Non-Qualifying Shareholders, the Prospectus only)	Friday, 29 May 2026
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares	9:00 a.m. on Tuesday, 2 June 2026
Original counter for trading in Consolidated Shares in board lots of 4,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Tuesday, 2 June 2026
Parallel trading in the Consolidated Shares (in the form of both existing share certificates and new share certificates for the Consolidated Shares) commences	9:00 a.m. on Tuesday, 2 June 2026
First day of dealings in nil-paid Rights Share	Tuesday, 2 June 2026
Latest time for splitting the PAL	4:30 p.m. on Tuesday, 2 June 2026
Last day of dealing in nil-paid Rights Shares	Tuesday, 9 June 2026
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Friday, 12 June 2026

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## EXPECTED TIMETABLE

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Announcement of the number of Unsubscribed Rights Shares subject to the Placing	Thursday, 18 June 2026
Commencement of placing of Unsubscribed Rights Shares by the Placing Agent	Monday, 22 June 2026
Designated broker ceases to stand in the market to provide matching services for sale and purchase of odd lots of the Consolidated Shares	4:00 p.m. on Tuesday, 23 June 2026
Temporary counter for trading Consolidated Shares in board lots of 400 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Tuesday, 23 June 2026
Parallel trading in Consolidated Shares (in the form of both existing share certificates and new share certificates for the Consolidated Shares) ends	4:10 p.m. on Tuesday, 23 June 2026
Latest date and time for free exchange of existing share certificates for the new shares certificate of the Consolidated Shares	4:30 p.m. on Thursday, 25 June 2026
Latest time of placing of the Unsubscribed Rights Shares by the Placing Agent	4:00 p.m. on Friday, 3 July 2026
Announcement of results of the Rights Issue (including results of the placing of Unsubscribed Rights Shares and the amount of the Net Gain per Unsubscribed Rights Share under the Compensatory Arrangements)	Thursday, 9 July 2026
Despatch of share certificates for fully-paid Rights Shares	Friday, 10 July 2026
Refund cheques, if any, to be despatched (if the Rights Issue is terminated)	Friday, 10 July 2026
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Monday, 13 July 2026
Payment of the Net Gain to relevant No Action Shareholders (if any) or Non-Qualifying Shareholders (if any)	Monday, 20 July 2026

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## EXPECTED TIMETABLE

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**This timetable is indicative only and may be extended or varied. Any change to the expected timetable above will be announced by the Company as and when appropriate.**

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

The latest time for acceptance of and payment for Rights Shares will not take place if a tropical cyclone warning signal no. 8 or above, or “extreme conditions” caused by super typhoons, or a black rainstorm warning is:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Acceptance Date. Instead the deadline for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; and
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date. Instead the deadline for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares does not take place on the Latest Acceptance 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) of any change to the expected timetable as soon as practicable.

# MADISON

GROUP

## Madison Holdings Group Limited 麥迪森控股集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 08057)**

*Executive Directors:*

Mr. Jiang Tian  
Dr. Cheung Yuk Shan, Shirley  
Mr. Su Lei

*Non-executive Directors:*

Mr. Ji Zuguang (*Chairman*)  
Mr. Ip Cho Yin *J.P.*

*Independent non-executive Directors:*

Mr. Chu Kin Wang, Peleus  
Dr. Lau Reimer, Mary Jean  
Mr. Zhou Li

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

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

Units 26-28, 8/F  
One Island South  
2 Heung Yip Road  
Wong Chuk Hang  
Hong Kong

23 April 2026

*To the Shareholders*

Dear Sir or Madam,

- (1) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;  
(2) PROPOSED SHARE CONSOLIDATION;  
(3) PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS  
SHARES FOR EVERY TWO (2) CONSOLIDATED SHARES HELD ON  
THE RECORD DATE ON A NON-UNDERWRITTEN BASIS;  
(4) THE COMPENSATORY ARRANGEMENTS AND  
THE PLACING AGREEMENT;  
(5) PROPOSED AMENDMENTS TO THE MEMORANDUM OF  
ASSOCIATION AND ARTICLES OF ASSOCIATION OF THE COMPANY;  
AND  
(6) NOTICE OF EXTRAORDINARY GENERAL MEETING**

### INTRODUCTION

References are made to the Announcements in relation to, among other things, the Increase in Authorised Share Capital, the Share Consolidation, the Rights Issue, the Placing Agreement, the Proposed Amendments and the proposed adoption of the New M&A, and the respective transactions contemplated thereunder.

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with, among other things, (i) further details of the Increase in Authorised Share Capital, the Share Consolidation, the Rights Issue, the Placing Agreement, the Proposed Amendments and the proposed adoption of the New M&A, and the respective transactions contemplated thereunder; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue; (iv) other information required under the GEM Listing Rules; and (v) a notice convening the EGM.

### PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

In order to provide the Company with greater flexibility in fund raising whereby promoting future business growth, the Board proposes the Increase in Authorised Share Capital.

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$10,000,000 divided into 1,000,000,000 Existing Shares of par value of HK\$0.01 each, of which 623,127,227 Existing Shares in issue are fully paid or credited as fully paid. In order to provide the Company with greater flexibility to raise funds in the future, the Board proposes to increase the authorised share capital of the Company from HK\$10,000,000 divided into 1,000,000,000 Existing Shares to HK\$20,000,000 divided into 2,000,000,000 Existing Shares by the creation of an additional 1,000,000,000 new Existing Shares.

The Increase in Authorised Share Capital of the Company is subject to the approval of the Shareholders by way of an ordinary resolution at the EGM.

### PROPOSED SHARE CONSOLIDATION

Subject to the Increase in Authorised Share Capital becoming effective, the Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.10 each. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the EGM.

#### Effect of the Share Consolidation

Subject to the Increase in Authorised Share Capital becoming effective, the authorised share capital of the Company will become HK\$20,000,000 divided into 2,000,000,000 Existing Shares of par value of HK\$0.01 each, and there are 623,127,227 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued or repurchased from the Latest Practicable Date up to the effective date of the Share Consolidation, upon the Increase in Authorised Share Capital and the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$20,000,000 divided into 200,000,000 Consolidated Shares with par value of HK\$0.10 each, of which 62,312,722 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

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## LETTER FROM THE BOARD

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Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will have no effect on the consolidated net asset value of the Group, nor alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save that any fractional Consolidated Shares will not be allocated to Shareholders who may otherwise be entitled and the necessary professional expenses for the implementation of the Share Consolidation.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group and that on the date the Share Consolidation is to be effected, there are no reasonable grounds for believing that the Company is, or after the Share Consolidation would be, unable to pay its liabilities as they become due. The Share Consolidation 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.

### **Conditions of the Share Consolidation**

The implementation of Share Consolidation is conditional upon:

- (i) the Increase in Authorised Share Capital becoming effective;
- (ii) the passing of an ordinary resolution to approve the Share Consolidation by the Shareholders at the EGM;
- (iii) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iv) the compliance with the relevant procedures and requirements under the laws of the Cayman Islands (where applicable) and the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Share Consolidation, if any.

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

Subject to the satisfaction of all the above conditions, it is expected that the Share Consolidation will become effective on Monday, 18 May 2026.

### **Listing Application**

An application will be made by the Company to the GEM Listing Committee for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective. Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of HKSCC, the Consolidated 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 Consolidated Shares on the Stock

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## LETTER FROM THE BOARD

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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 settlement 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 Consolidated Shares to be admitted into CCASS established and operated by HKSCC. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

None of the Existing Shares are listed or dealt in any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated 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.

### **Fractional entitlement to Consolidated Shares**

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder. 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 Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

### **Arrangement on odd lot trading**

In order to facilitate the trading of odd lots of the Consolidated Shares arising from the Share Consolidation, the Company has appointed Advent Securities (Hong Kong) Limited as a designated broker to provide a matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares during the period from 9:00 a.m. on Tuesday, 2 June 2026 to 4:00 p.m. on Tuesday, 23 June 2026. Shareholders who wish to take advantage of this facility should contact Mr. Cho Pak Keung of Advent Securities (Hong Kong) Limited at Unit A-C, 11/F, Kee Shing Centre, 74-76 Kimberley Road, Kowloon, Hong Kong (telephone number (852) 2510 0603 or by facsimile at (852) 2510 0220) during office hours (i.e. 9:00 a.m. to 6:00 p.m.) of such period.

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

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## LETTER FROM THE BOARD

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### **Free exchange of share certificates for Consolidated Shares**

Subject to the Share Consolidation having become effective, Shareholders may, during the period from Monday, 18 May 2026 to 4:30 p.m. on Thursday, 25 June 2026 (both days inclusive), submit the existing share certificates for the Existing Shares to the Registrar, Tricor Investor Services Limited, 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 Consolidated Shares. Thereafter, existing share certificates for Existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for Consolidated 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 Consolidated Shares (whichever is higher) but are not acceptable for delivery, trading and settlement purposes.

The colour of the new share certificates for the Consolidated Shares will be in golden colour in order to distinguish them from the existing share certificates in blue colour.

### **Adjustments in relation to other securities of the Company**

As at the Latest Practicable Date, there are outstanding share options for subscription of an aggregate of 21,650,000 Existing Shares under the Share Option Scheme. The Share Consolidation may lead to adjustments to the exercise price and/or the number of Consolidated Shares falling to be issued upon exercise of the outstanding share options pursuant to the terms and conditions of the Share Option Scheme. The Company will publish announcement(s) on such adjustments as and when appropriate. Save for the aforesaid, the Company has no other outstanding convertible securities, options or warrants in issue which are convertible or exchangeable into Shares as at the Latest Practicable Date.

### **REASONS FOR THE PROPOSED SHARE CONSOLIDATION**

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. Further, the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated in September 2024 (the “Guide”) states that (i) market price of the shares at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value per board lot should be greater than HK\$2,000.

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## LETTER FROM THE BOARD

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The Company's share prices have remained below HK\$0.10 and the value of each board lot has remained below HK\$2,000 since October 2025. In view of the prevailing trading prices of the Existing Shares and the value per board lot being substantially less than HK\$2,000, the Board proposes to implement the Share Consolidation. It is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange. As a result, the Share Consolidation would enable the Company to comply with the trading requirements under the GEM Listing Rules. Based on the closing price of HK\$0.08 per Existing Share (equivalent to HK\$0.8 per Consolidated Share) as quoted on the Stock Exchange as at the Latest Practicable Date, the expected market value of each board lot of 4,000 Consolidated Shares, assuming the Share Consolidation had become effective, would be HK\$3,200.0, which is greater than HK\$2,000 and therefore complies with the requirement as set out in the Guide.

**Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed "Conditions of the Share Consolidation" above. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.**

### PROPOSED RIGHTS ISSUE

The Company proposes to issue 93,469,083 Rights Shares by way of the Rights Issue, on the basis of three (3) Rights Shares for every two (2) Consolidated Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price of HK\$0.486 per Rights Share to raise approximately HK\$45.43 million before expenses (assuming no new issue or repurchase of Shares on or before the Record Date). The Board proposes the Rights Issue, details of which are summarised below:

Basis of the Rights Issue	:	Three (3) Rights Shares (in nil-paid form) for every two (2) Consolidated Shares held at the close of business on the Record Date
Subscription Price	:	HK\$0.486 per Rights Share
Net price per Rights Share (the aggregate Subscription Price of the maximum number of Rights Shares to be issued less costs and expenses estimated to be incurred in the Rights Issue divided by the maximum number of Rights Shares to be issued)	:	Approximately HK\$0.458 per Rights Share

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## LETTER FROM THE BOARD

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Number of Existing Shares in issue as at the Latest Practicable Date	:	623,127,227 Existing Shares
Number of Consolidated Shares in issue upon the Share Consolidation having become effective	:	62,312,722 Consolidated Shares
Number of Rights Shares	:	up to 93,469,083 Rights Shares (assuming no change in the number of Consolidated Shares in issue on or before the Record Date)
Aggregated nominal value of the Rights Shares	:	up to HK\$9,346,908.30 (assuming no change in the number of Shares in issue on or before the Record Date)
Number of Consolidated Shares in issue upon completion of the Rights Issue (assuming that the Rights Issue is fully subscribed)	:	up to 155,781,805 Consolidated Shares (assuming no change in the number of Consolidated Shares in issue on or before the Record Date and that no new Consolidated Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Gross proceeds from the Rights Issue (before expenses):	:	Approximately HK\$45.43 million
Net proceeds from the Rights Issue	:	Approximately HK\$42.79 million
Right of excess application	:	There will be no excess application arrangements in relation to the Rights Issue

As at the Latest Practicable Date, there are outstanding share options carrying the right to subscribe for 21,650,000 Existing Shares. Save for the above, there are no options, warrants, derivatives or other convertible securities granted by the Company which confer rights to subscribe for, convert or exchange into Existing Shares that are subsisting as at the Latest Practicable Date.

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## LETTER FROM THE BOARD

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Assuming no change in the number of issued Consolidated Shares on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the maximum of 93,469,083 Rights Shares proposed to be issued pursuant to the terms of the Rights Issue represent approximately (i) 150.0% of the issued share capital of the Company immediately upon completion of the Share Consolidation but before the completion of the Rights Issue and (ii) 60.0% of the issued share capital of the Company after completion of the Share Consolidation and the Rights Issue as enlarged by the allotment and issue of the Rights Shares.

As at the Latest Practicable Date, the Company has not received any information or irrevocable undertaking from any Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them under the Rights Issue.

### **Subscription Price**

The Subscription Price is HK\$0.486 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares or, where applicable, when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 39.25% to the theoretical closing price of HK\$0.80 per Consolidated Share (after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of 40.0% to the theoretical closing price of HK\$0.81 per Consolidated Share (after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 39.10% to the theoretical average closing prices per Consolidated Share (after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange for the five previous consecutive trading days up to and including the Last Trading Day of HK\$0.798 per Consolidated Share;
- (iv) a discount of approximately 37.05% to the theoretical average closing prices per Consolidated Share (after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange for the ten previous consecutive trading days up to and including the Last Trading Day of HK\$0.772 per Consolidated Share;
- (v) a discount of approximately 21.10% to the theoretical ex-rights price of approximately HK\$0.616 per Consolidated Share based on the closing price of HK\$0.81 per Consolidated Share (after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange on the Last Trading Day; and

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## LETTER FROM THE BOARD

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- (vi) a discount of approximately 79.83% to the net asset value of the Company of approximately HK\$2.41 per Consolidated Share calculated based on the unaudited consolidated net asset value of the Company of approximately HK\$149,922,000 as at 30 September 2025 and the total number of issued Consolidated Shares after the Share Consolidation, which will be 62,312,722 Shares.

The Rights Issue will result in a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 24.00% to the existing Shareholders if they elect not to participate in the Rights Issue, which is calculated based on the theoretical diluted price of approximately HK\$0.616 per Consolidated Share and the theoretical benchmarked price (as defined under Rule 10.44A of the GEM Listing Rules) of HK\$0.81 per Consolidated Share.

The net price per Rights Share (i.e. the aggregate Subscription Price of the maximum number of Rights Shares to be issued less costs and expenses estimated to be incurred in the Rights Issue divided by the maximum number of Rights Shares to be issued), assuming that the Rights Issue is fully subscribed, will be approximately HK\$0.458.

The Subscription Price was determined by the Company with reference to (i) the average closing price of the Shares quoted on the Stock Exchange of approximately HK\$0.072 for the three months up to and including the Last Trading Day; (ii) the highest and lowest closing price of the Shares quoted on the Stock Exchange of HK\$0.084 and HK\$0.055 respectively for the three months up to and including the Last Trading Day; and (iii) the persistent loss-making position of the Company.

The Directors consider that, despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders are provided with an equal opportunity to subscribe for their assured entitlements under the Rights Issue for the purpose of maintaining their respective existing shareholding interests in the Company; and (ii) the Subscription Price represents a discount of approximately 40.00% and 32.74% to the closing price of the Shares on the Last Trading Day and the average of the closing prices of the Shares for the last three months up to and including the Last Trading Day respectively, and such discounts would encourage the Qualifying Shareholders to subscribe for their assured entitlements under the Rights Issue.

### **Qualifying Shareholders**

The Rights Issue is available to the Qualifying Shareholders only. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and not being a Non-Qualifying Shareholder.

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## LETTER FROM THE BOARD

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

In order to be registered as members of the Company on the Record Date, all transfers of Shares (together with the relevant share certificate(s)) must be lodged with the Registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by not later than 4:30 p.m. on Wednesday, 20 May 2026. It is expected that the last day of dealing in the Shares on a cum-rights basis is Monday, 18 May 2026 and the Shares will be dealt with on an ex-rights basis from Tuesday, 19 May 2026.

The Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date.

Application for all or any part of a Qualifying Shareholder's entitlement to the Rights Shares should be made by completing the PAL and lodging the same with a cheque drawn on an account with, or a bank cashier's order issued by, a licensed bank in Hong Kong for the Rights Shares being applied for with the Registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong on or before the Latest Time for Acceptance.

The Qualifying Shareholders who take up their pro-rata entitlements in full will not experience any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). **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.**

As at the Latest Practicable Date, the Company has not received any information or irrevocable undertaking from any other Shareholders of their intention to take up the Rights Shares to be provisionally allotted and issued to them under the Rights Issue.

### **Non-Qualifying Shareholders**

The Prospectus Documents will not be registered or filed 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 Board will make enquiries regarding the legal restrictions under the laws of the relevant overseas jurisdiction(s) and the requirements of the relevant regulatory body(ies) or stock exchange(s) pursuant to Rule 17.41(1) of the GEM Listing Rules. If, after making such enquiries and based on legal opinions provided by the legal advisers to the Company, the Board is of the opinion that it would be necessary or expedient not to offer the Rights Shares to any Overseas Shareholders on account either of the legal restrictions under the laws of the relevant jurisdiction(s) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in the relevant place(s), no offer of the Rights Shares will be made to such Overseas Shareholders. Accordingly, the Rights Issue will not be extended to such Overseas Shareholders. The basis for excluding the Non-Qualifying Shareholders, if any, from the Rights Issue will be set out in the Prospectus.

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## LETTER FROM THE BOARD

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The Company will send copies of the Overseas Letter and the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send the PAL to them. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained above. Based on the register of members of the Company as at the Latest Practicable Date, the Company does not have any Overseas Shareholders.

The Non-Qualifying Shareholders (which are excluded from the Rights Issue) would not have any entitlement under the Rights Issue. However, arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in their nil-paid form, to be sold in the market as soon as practicable after dealings in the nil-paid Rights Shares commence, and in any event before the last day for dealings in nil-paid Rights Shares, if a premium (net of expenses) can be obtained. Proceeds from each sale, less expenses and stamp duty, of not less than HK\$100 will be paid pro-rata (rounded down to the nearest cent) to the relevant Non-Qualifying Shareholder(s) in Hong Kong dollars. The Company will retain individual amounts of less than HK\$100 for its own benefit to cover the administrative costs that it would have incurred.

For the nil-paid Rights Shares that were sold in the market by the Company 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 under the Placing Agreement. For details of the Compensatory Arrangements, please refer to the section headed “No excess application and procedures in respect of the Unsubscribed Rights Shares” in this circular.

**Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 17.41(1) of the GEM Listing Rules. The Company reserves the right to treat as invalid any acceptance of 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 and beneficial owners of the Shares who are residing outside Hong Kong should exercise caution when dealing in the Shares. The Rights Issue does not constitute or forms part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. Shareholders and beneficial owners of the Shares (including, without limitation, their respective agents, custodians, nominees and trustees) should inform themselves of and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.**

### **Basis of provisional allotment**

The basis of the provisional allotments shall be three (3) Rights Shares (in nil-paid form) for every two (2) Consolidated Shares held by the Qualifying Shareholders as at the close of business on the Record Date.

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## LETTER FROM THE BOARD

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### Conditions of the Rights Issue

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

- (i) the Increase in Authorised Share Capital and the Share Consolidation having become effective;
- (ii) the passing of all the necessary resolution(s) at the EGM to be convened to consider and, approve, among others, the Rights Issue and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares) by the Independent Shareholders;
- (iii) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of the Prospectus Documents each duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolutions of the Directors (and all other documents required to be attached hereto) and otherwise in compliance with the GEM Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) not later than the Prospectus Posting Date;
- (iv) the Prospectus Documents are made available to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Non-Qualifying Shareholders, if any, for information purpose explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;
- (v) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Rights Shares in their nil-paid and fully-paid forms;
- (vi) the Placing Agreement not having been terminated in accordance with the provisions thereof, including force majeure events; and
- (vii) compliance with the requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands.

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

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

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## LETTER FROM THE BOARD

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### Application for listing

The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be issued and allotted pursuant to the Rights Issue. Other than on the Stock Exchange, 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.

### Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully-subscribed, any Unsubscribed Rights Shares will be placed to independent places on a best effort basis by the Placing Agent under the Compensatory Arrangements. Any Unsubscribed Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken-up, where any Shareholders would, as a result of taking up his/her/its assured entitlement under the Rights Issue, reach or exceed 30% of the voting rights of the Company or (if already holding between 30% and 50% of the voting rights of the Company) acquire more than 2% of the voting rights of the Company within 12-month period) (the “**Relevant Shareholder(s)**”), the application of such Relevant Shareholder(s) (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on the part of the Relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 10.26(2) of the GEM Listing Rules. Such scale-down of applications of Rights Shares shall operate on a fair and equitable basis.

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## LETTER FROM THE BOARD

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The expected timeline below sets out the sequence of events in relation to the scale-down mechanism:

<b>Expected timeline</b>	<b>Key events</b>
Latest Acceptance Date + 1 Business Day	Registrar will provide final list of valid acceptances under the PAL.
Latest time for Placing (the “P-day”)	Company will confirm the result of Placing with the Placing Agent and Registrar.
P-day +1 Business day	Based on (i) disclosure of interests by the relevant Shareholders; (ii) the valid acceptances under the PAL; and (iii) the result of Placing, Company will identify any individual Relevant Shareholders and/or group of Relevant Shareholders, if necessary.
P-day + 2 Business days	Registrar to scale down the assured entitlement of the Relevant Shareholder(s) and confirm the respective refund amounts.

Upon completion of the Placing, where the scale-down is necessitated by an individual Relevant Shareholder (provided that such Relevant Shareholder is a registered Shareholder), the Company will give instruction to the Registrar to scale down his/her/its assured entitlement under the Rights Issue to a level which does not trigger an obligation on the part of the Relevant Shareholder to make a general offer under the Takeovers Code. Where the scale-down is necessitated by the exceeding of shareholding by a group rather than an individual Relevant Shareholder upon considering the results of the Rights Issue, the allocations of PAL(s) to members of the affected group should be made on a pro-rata basis by reference to the number of Shares held by the affected applicants on the Record Date, but for the avoidance of any doubt, any or any such onward allocation(s) shall be subject to the scaling-down as well. The Company will give instruction to the Registrar to scale down each of their assured entitlement under the Rights issue on a pro rate basis to an aggregate level which does not trigger an obligation on the part of the relevant group of Shareholders to make a general offer under the Takeovers Code. Any subscription monies not utilised due to the scaled-down application of entitled Rights Shares will be refunded to the affected applicants. The PAL will include the relevant information of the scale-down mechanism.

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## LETTER FROM THE BOARD

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

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms with their board lot size being the same (i.e. 4,000) as their underlying Shares 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 settlement 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 licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

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

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

### **Stamp duty and other applicable fees and charges**

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

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

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be sent by ordinary post on Friday, 10 July 2026 to those persons who have validly accepted and, where applicable, applied for, and paid for the Rights Shares, at their own risk, to their registered addresses. Each allottee will receive one share certificate for all allotted Rights Shares.

If the Rights Issue does not proceed, the monies received by the Company in respect of the subscription for the Rights Shares will be refunded to the Qualifying Shareholders or such other person to whom the nil-paid rights have been validly renounced or transferred or, in the case of joint acceptances, to the first-named person, without interest and by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other person to their registered addresses by the Registrar on Friday, 10 July 2026.

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## LETTER FROM THE BOARD

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### **Fractional entitlement to the Rights Shares**

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

### **Odd lot arrangement**

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

### **No excess application and procedures in respect of the Unsubscribed 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. Pursuant to Rule 10.31(1)(b) of the GEM Listing Rules, the Company will make arrangements to dispose of the Unsubscribed Rights Shares by offering the Unsubscribed Rights Shares to independent placees for the benefit of the relevant No Action Shareholders to whom they were offered under the Rights Issue. As the Compensatory Arrangements are in place, there will be no excess application arrangements in relation to the Rights Issue.

The Company appointed the Placing Agent to place the Unsubscribed Rights Shares after the Latest Time for Acceptance to the Placees on a best effort basis, and any premium over the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related costs and expenses), that is realised from the Placing (the “**Net Gain**”) will be paid to those No Action Shareholders in the manner set out below. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Friday, 3 July 2026, the Placees for all (or as many as possible) of those Unsubscribed Rights Shares at a price not less than the Subscription Price. Any Unsubscribed Rights Shares and NQS Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

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## LETTER FROM THE BOARD

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

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

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

### **Splitting and transfer of the PAL**

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer part or all of their rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Thursday, 4 June 2026 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required at a scrip fee of HK\$2.50 each which will be available for collection from the Registrar after 9:00 a.m. on the second Business Day following the surrender of the original PAL. This process is commonly referred to as “splitting” of nil-paid Rights Shares. It should be noted that stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Shares.

The PAL will contain the full information regarding the procedures to be followed for Qualifying Shareholders who wish to: (i) accept their provisional allotment in full; (ii) accept only part of their provisional allotment; or (iii) renounce/transfer all or part of their provisional allotment to other party/parties. Qualifying Shareholders are advised to study the procedures set out in the PAL carefully. The Registrar will determine the eligibility for the cash compensation as derived from the lapsed PALs after the completion of the re-registration for all re-registration request received by the Registrar on or before the Latest Time for Acceptance and by all means before the announcement of the number of Unsubscribed Rights Shares subject to the Compensatory Arrangements is posted on the Stock Exchange’s website and the Company’s website. The Share Registrar should notify the transferee(s) of any unsuccessful re-registration as soon as possible.

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## LETTER FROM THE BOARD

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### Placing Agreement for the Unsubscribed Rights Shares

Principal terms of the Placing Agreement are summarised as follows:

Date : 5 March 2026 (after trading hours of the Stock Exchange) (as amended and supplemented by the Supplemental Placing Agreement)

Issuer : The Company

Placing Agent : Advent Securities (Hong Kong) Limited, an Independent Third Party

To the best knowledge, information and belief of the Directors, after making reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Placing Period : The period commencing from Monday, 22 June 2026 to Friday, 3 July 2026.

Commission and expenses : Subject to completion of the Placing, the Company shall pay to the Placing Agent a placing commission in Hong Kong dollars, of 2.0% of the amount which is equal to the placing price multiplied by the number of Unsubscribed Rights Shares that have been successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement.

Placing price of the Unsubscribed Rights Shares : The placing price of the Unsubscribed Rights Shares shall be at least equal to the Subscription Price and the final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares during the process of placement.

Placees : The Unsubscribed Rights Shares shall only be offered by the Placing Agent to Placee(s) who and whose ultimate beneficial owner(s) are Independent Third Party(ies) and not acting in concert with any of the Company's connected persons.

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## LETTER FROM THE BOARD

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- Ranking of the placed Unsubscribed Rights Shares : The Unsubscribed 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 under the Placing Agreement are conditional upon:
- (a) the passing by the Shareholders (including independent Shareholders) at a general meeting of the Company of all necessary resolutions to be proposed to approve, among others, the Share Consolidation, the Rights Issue, the Placing Agreement and the respective transaction contemplated thereunder;
  - (b) the Share Consolidation having become effective;
  - (c) the GEM Listing Committee granting the approval for the listing of, and the permission to deal in, the Rights Shares (including the Shares for Placing) and such approval not having been withdrawn or revoked;
  - (d) all necessary consents and approvals to be obtained on the part of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated hereunder having been obtained;

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## LETTER FROM THE BOARD

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- (e) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect as if it was repeated as at the time of completion; and
- (f) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms thereof.

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

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## LETTER FROM THE BOARD

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- Termination : The Placing Agent may terminate the Placing Agreement without any liability to the Company, by giving notice in writing to the Company at any time prior to the Latest Time for Termination upon the occurrence of the following events:
- (a) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's reasonable opinion would affect the success of the Placing; or
  - (b) the imposition of any moratorium, suspension (for more than fourteen (14) trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's reasonable opinion, would materially and adversely affect the success of the Placing, excluding any suspension in connection with the clearance of the announcement of the Company or the Prospectus Documents or other announcements and circulars of the Company in connection with the Rights Issue; or

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## LETTER FROM THE BOARD

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- (c) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's reasonable opinion any such new law or change may materially and adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
- (d) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (e) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date of despatch of share certificates for fully-paid Rights Shares and refund cheques (if any), which if had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement; or
- (f) there is any material adverse change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

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## LETTER FROM THE BOARD

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In view of the market sentiment and thin trading liquidity of the Shares reflected in the Company's average daily trading volume of merely approximately 0.04% of the total issued share capital of the Company during the six months prior to and including the Last Trading Day (i.e., 221,845 Shares, calculated based on the total trading volume divided by the total number of days during the six months prior to and including the Last Trading Day), the length of the Placing Period is intended to allow sufficient time for the Placing Agent to conduct investor outreach in order to identify and procure a sufficient number of independent places to subscribe for the Unsubscribed Rights Shares. The Board considers the Placing Period is fair and reasonable and in the interests of the Shareholders as a whole as it maximises the likelihood that the Unsubscribed Rights Shares are placed at not less than the Subscription Price on a best-effort basis, with any Net Gain (if realised) distributed pro-rata in line under the compensatory arrangements.

The terms of the Placing Agreement, including the placing commission, were determined after arm's length negotiation between the Placing Agent and the Company with reference to the prevailing market rate and the Company considers the Placing Agreement to be on normal commercial terms.

The Company considers that the Placing Agreement will provide a compensatory mechanism for the No Action Shareholders, protect the interest of the Shareholders, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **POSSIBLE ADJUSTMENT TO THE OUTSTANDING SHARE OPTIONS UNDER THE SHARE OPTION SCHEME**

The Rights Issue may lead to adjustments to, among others, the exercise price and/or the number of Shares to be issued upon exercise of the unexercised share options under the Share Option Scheme. The Company will notify the holders of such unexercised share options and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made, if any, pursuant to the terms of the Share Option Scheme and such adjustments will be certified by an independent financial adviser or auditors of the Company (as the case may be). As at the Latest Practicable Date, there are 21,650,000 unexercised share options granted by the Company pursuant to the Share Option Scheme, all of which are exercisable on or before the Record Date (the "**Outstanding Share Options**"). The Outstanding Share Options are exercisable into 21,650,000 Shares.

### **EFFECTS ON THE SHAREHOLDING STRUCTURE**

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Share Consolidation; (iii) immediately after completion of the Rights Issue (assuming full acceptance of the Rights Shares by all Qualifying Shareholders); and (iv) immediately after completion of the

## LETTER FROM THE BOARD

Rights Issue (assuming no acceptance of the Rights Shares by the Qualifying Shareholders and 100% of the Unsubscribed Rights Shares are fully placed to the Placees under the Compensatory Arrangements), for illustrative purposes only:

	As at the Latest Practicable Date		Immediately upon the Share Consolidation becoming effective		Immediately after completion of the Rights Issue (assuming full acceptance of the Rights Shares by all Qualifying Shareholders)		Immediately after completion of the Rights Issue (assuming no acceptance of the Rights Shares by the Qualifying Shareholders and all of the Unsubscribed Rights Shares are fully placed to the Placees under the Compensatory Arrangements)	
	No. of issued Shares	Approximate %	No. of issued Shares	Approximate %	No. of issued Shares	Approximate %	No. of issued Shares	Approximate %
Royal Spectrum Holding Company Limited ("Royal Spectrum") (Notes 1 and 2)	195,920,000	31.44%	19,592,000	31.44%	48,980,000	31.44%	19,592,000	12.58%
CVP Financial Group Limited ("CVP Financial") (Note 2)	50,487,272	8.10%	5,048,727	8.10%	12,621,816	8.10%	5,048,727	3.24%
Mr. Ting (Notes 1 and 2)	10,193,243	1.64%	1,019,324	1.64%	2,548,310	1.64%	1,019,324	0.65%
Highgrade Holding Limited ("Highgrade Holding") (Note 2)	3,527,200	0.57%	352,720	0.57%	881,800	0.57%	352,720	0.23%
Kaiser Capital Holdings Limited ("Kaiser Capital") (Note 2)	1,217,200	0.20%	121,720	0.20%	304,300	0.20%	121,720	0.08%
Plan Marvel Investment Limited ("Plan Marvel") (Note 2)	3,328,000	0.53%	332,800	0.53%	832,000	0.53%	332,800	0.21%
Ms. Liu Yang ("Ms. Liu") (Note 3)	11,000,200	1.77%	1,100,020	1.77%	2,750,050	1.77%	1,100,020	0.71%
Atlantis Investment Management Limited ("Atlantis Investment") (Note 3)	54,256,300	8.71%	5,425,630	8.71%	13,564,075	8.71%	5,425,630	3.48%
Placees	-	-	-	-	-	-	93,469,083	60.00%
Other public Shareholders	293,197,812	47.05%	29,319,781	47.05%	73,299,454	47.05%	29,319,781	18.82%
	<b>623,127,227</b>	<b>100.00%</b>	<b>62,312,722</b>	<b>100.00%</b>	<b>155,781,805</b>	<b>100.00%</b>	<b>155,781,805</b>	<b>100.00%</b>

*Notes:*

- (1) The entire issued share capital in Royal Spectrum is legally and beneficially owned as to 96.63% by Devoss Global Holdings Limited (the "Devoss Global") and 3.37% by Mr. Zhu Qin respectively. Devoss Global is deemed to be interested in the Shares held by Royal Spectrum.
- (2) Each of Devoss Global, CVP Financial, Highgrade Holding, Kaiser Capital and Plan Marvel is wholly owned by Mr. Ting. CVP Financial is interested in 50,487,272 Existing Shares, Highgrade Holding is interested in 3,527,200 Existing Shares, Kaiser Capital is interested in 1,217,200 Existing Shares and Plan Marvel is interested in 3,328,000 Existing Shares. Mr. Ting is deemed to be interested in 254,479,672 Existing Shares, representing approximately 40.84% of the issued share capital of the Company held by Devoss Global, CVP Financial, Highgrade Holding, Kaiser Capital and Plan Marvel under Part XV of the SFO.

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## LETTER FROM THE BOARD

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- (3) The entire issued share capital in Atlantis Investment is wholly-owned by Atlantis Capital Group Holdings Limited (“ACGHL”), which in turn is wholly-owned by Ms. Liu. As such, ACGHL and Ms. Liu are both deemed to be interested in 54,256,300 Existing Shares, representing approximately 8.71% of the issued share capital of the Company, held by Atlantis Investment under Part XV of the SFO.
- (4) 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 11.23(7) of the GEM Listing Rules.
- (5) Certain percentage figures included in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 8 May 2026 to Thursday, 14 May 2026 (both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM and from Thursday, 21 May 2026 to Thursday, 28 May 2026 (both days inclusive) for determining the entitlement to the Rights Shares. No transfer of Shares will be registered during the above book closure periods.

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

The Group is principally engaged in (i) retail sales and wholesales of wine products and other alcoholic beverages; (ii) provision of financial consultancy services; and (iii) provision of loan financing and loan referral services.

As disclosed in the interim report of the Company for the six months ended 30 September 2025, as at 30 September 2025, the Shareholder’s Loan, the SRA Loan and other borrowings (collectively, the “**Outstanding Loans**”) of the Group amount to approximately HK\$82.1 million, HK\$71.9 million and HK\$17.0 million, respectively. The Shareholder’s Loan is non-interest bearing, while the effective interest rates on the SRA Loan and the other borrowings of the Group are 4% and 12% per annum, respectively. For the year ended 31 March 2025, the Group incurred finance costs of approximately HK\$6.5 million.

Pursuant to the terms of the Shareholder’s Loan, the Shareholder’s Loan is repayable on demand and the Group is required to repay an amount of not less than HK\$24.80 million by August 2026. As disclosed in the announcement of the Company dated 28 November 2025, the SRA Loan had already become due. On the other hand, the other borrowings together with the interests accrued thereon in the amount of approximately HK\$2.82 million will be due within the next 6 months from the date of the Announcement. As disclosed in the announcement of the Company dated 28 November 2025, the Company had entered into a conditional loan extension agreement with SRA in relation to the extension of the maturity date of the SRA Loan to 30 September 2031.

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## LETTER FROM THE BOARD

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As such, the Company intends to apply the net proceeds of approximately HK\$42.79 million from the Rights Issue (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date and full subscription under the Rights Issue) as follows:

- (i) approximately HK\$39.79 million for repayment of part of the Outstanding Loans in the following manner:

The table below sets out the breakdown of use of proceeds from the Rights Issue for the repayment of the Outstanding Loans:

<b>Outstanding Loans</b>	<b>Outstanding amount as at 28 February 2026</b>	<b>Interest accrued as at 28 February 2026</b>	<b>Use of proceeds from the Rights Issue</b>
Shareholder's Loan	Approximately HK\$90.86 million	–	Approximately HK\$24.80 million (sub-paragraph (a) below)
SRA Loan	Approximately JPY1,352.00 million (equivalent to HK\$66.25 million)	Approximately JPY18.55 million (equivalent to HK\$0.91 million)	–
Other borrowings	Approximately HK\$14.99 million	Approximately HK\$0.13 million	Approximately HK\$14.99 million (sub-paragraph (b) below)

- (a) approximately HK\$24.80 million for the settlement of the Shareholder's Loan. As disclosed above, the Group is required to repay an amount of not less than HK\$24.80 million of the Shareholder's Loan by August 2026, failing which, the Company would be in breach of such terms under the Shareholder's Loan. Allocating part of the net proceeds from the Rights Issue for such repayment therefore avoids immediate legal and liquidity risks associated with a potential breach of the terms under the Shareholder's Loan and preserves working capital of the Group for settlement of its other liabilities as they fall due. As such, the Board considers that utilising the net proceeds for the settlement of the Shareholder's Loan is fair and in the interests of the Shareholders; and

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## LETTER FROM THE BOARD

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- (b) approximately HK\$14.99 million for the settlement of other borrowings, i.e. a loan in the outstanding amount of HK\$16,992,109 at an interest rate of 12% per annum repayable in thirty-eight tranches from December 2025 to April 2028. In view of the high interest rate under this loan, the Company intends to prioritise repayment of this loan so as to strengthen the financial position of the Group and reduce the related finance costs. It is estimated that the finance costs of the Group will be reduced by approximately HK\$1.50 million per annum after repayment of such principal amount of the Outstanding Loans and the financial results of the Group are expected to improve as a result; and
- (ii) approximately HK\$3.00 million for the general working capital (including but not limited to staff costs and other corporate expenses) of the Group.

In the event that there is an undersubscription of the Rights Issue, the use of proceeds raised from the Rights Issue will be allocated on a pro-rata basis for the purposes disclosed above.

The Company has considered alternative fundraising methods which include debt financing or placing of new Shares. For debt financing, in light of the loss-making position of the Group for the year ended 31 March 2025 and for the six months ended 30 September 2025 and the relatively high gearing ratio of the Group, it is difficult for the Group to obtain loans with favourable interest rate. For placing of new Shares, it would dilute the shareholding of the existing Shareholders while the Rights Issue will allow the Qualifying Shareholders to maintain their respective shareholdings in the Company on a pro rata basis. The Directors are of the view that the proposed Rights Issue could enhance the Group's capital base and generate net proceeds for (i) repayment of existing borrowings and related interest and (ii) general working capital, thereby improving the Group's overall financial position.

In view of the above and the reasons described in the sub-section headed "Subscription Price" under the section headed "Proposed Rights Issue", the Directors consider that the Rights Issue is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS**

The Company has not conducted any fundraising activity involving issue of equity securities in the past twelve months immediately preceding the Latest Practicable Date.

### **GEM LISTING RULES IMPLICATIONS**

In accordance with Rule 10.29 of the GEM Listing Rules, as the Rights Issue will increase the issued shares of the Company by more than 50%, the Rights Issue is conditional on approval by the Independent Shareholders at the EGM by an ordinary resolution on which any controlling shareholders and their associates shall abstain from voting in favour under Rule 10.29(1) of the GEM Listing Rules.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, Mr. Ting beneficially owns as to 10,193,243 Existing Shares and is interested in 254,479,672 Existing Shares, representing in aggregate approximately 42.47% of the issued share capital of the Company, through Royal Spectrum, Devoss, CVP Financial, Plan Marvel, Kaiser Capital and Highgrade Holding. As at the Latest Practicable Date, none of the Directors or their associates hold any Shares.

In addition, as at the Latest Practicable Date, the Company is indebted to Mr. Ting the Shareholder's Loan. The Company intends to apply part of the net proceeds from the Rights Issue to repay part of the Shareholder's Loan. As such, Mr. Ting is considered to have a material interest in the Rights Issue and thus, Mr. Ting and his associates shall abstain from voting in favour of the resolution(s) to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder.

### EGM

The register of members of the Company will be closed from Friday, 8 May 2026 to Thursday, 14 May 2026 (both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM. For the avoidance of doubt, the Non-Qualifying Shareholders are entitled to attend and vote at the EGM.

In accordance with Rule 10.29 of the GEM Listing Rules, as the Rights Issue will increase the issued shares of the Company by more than 50%, the Rights Issue is conditional on approval by the Independent Shareholders at the EGM by an ordinary resolution on which any controlling shareholders and their associates shall abstain from voting in favour under Rule 10.29(1) of the GEM Listing Rules. As at the Latest Practicable Date, Mr. Ting is interested in 264,672,915 Existing Shares, representing approximately 42.47% of the issued share capital of the Company. In accordance with the GEM Listing Rules, Mr. Ting and his associates and Shareholders who are involved in, or interested in (other than by being a Shareholder), or have a material interest in the Rights Issue and the Placing Agreement will be required to abstain from voting on the resolution(s) to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder at the EGM. Save as disclosed in this circular, no other Shareholder is involved or interested in or has a material interest in the Rights Issue, the Placing Agreement and the transactions contemplated thereunder and, hence, is required to abstain from voting on the resolution(s) to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder at the EGM.

### DESPATCH OF PROSPECTUS DOCUMENTS

The Company will make available the Prospectus Documents containing, among other things, the Rights Issue, including information on acceptances of the Rights Shares and other information of the Group, and PAL(s) to the Qualifying Shareholders on or before Friday, 29 May 2026. The Company may, to the extent reasonably practicable and legally permitted and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, make available the Prospectus to the Non-Qualifying Shareholders (if any) for their information only, but the Company will not send the PAL to the Non-Qualifying Shareholders (if any).

## LETTER FROM THE BOARD

### PROPOSED AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION OF THE COMPANY

The Board proposes to amend the Existing M&A and to adopt the New M&A in substitution for, and to the exclusion of, the Existing M&A in order to, among other things, update the authorised share capital of the Company and the nominal value of Shares pursuant to the Increase in Authorised Share Capital and the Share Consolidation.

Details of the Proposed Amendments are set out below:

<b>Memorandum of Association</b>		
<b>No.</b>	<b>Current Clause</b>	<b>Clause after the Proposed Amendments</b>
8.	The share capital of the Company is HK\$10,000,000 divided into 1,000,000,000 shares of a nominal or par value of HK\$0.01 each, with the power for the Company, insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said share capital subject to the provisions of the Companies Act (As Revised) and the Articles of Association of the Company and to issue any part of its capital, whether original, redeemed or increased, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions; and so that, unless the conditions of issue shall otherwise expressly declare, every issue of shares, whether declared to be preference or otherwise, shall be subject to the power hereinbefore contained.	The share capital of the Company is <del>HK\$10,000,000</del> <u>HK\$20,000,000</u> divided into <del>1,000,000,000</del> <u>200,000,000</u> shares of a nominal or par value of <del>HK\$0.01</del> <u>HK\$0.10</u> each, with the power for the Company, insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said share capital subject to the provisions of the Companies Act (As Revised) and the Articles of Association of the Company and to issue any part of its capital, whether original, redeemed or increased, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions; and so that, unless the conditions of issue shall otherwise expressly declare, every issue of shares, whether declared to be preference or otherwise, shall be subject to the power hereinbefore contained.
<b>Articles of Association</b>		
<b>No.</b>	<b>Current Articles</b>	<b>Article after the Proposed Amendments</b>
3(1)	The share capital of the Company at the date on which these Articles come into effect shall be divided into shares of a par value of \$0.01 each.	The share capital of the Company at the date on which these Articles come into effect shall be divided into shares of a par value of <del>\$0.01</del> <u>\$0.10</u> each.

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## LETTER FROM THE BOARD

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The Proposed Amendments are subject to the approval of the Shareholders by way of a special resolution at the EGM.

### **WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE RIGHTS SHARES**

The Shares are expected to be dealt in on an ex-rights basis from Tuesday, 19 May 2026. Dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 2 June 2026 to Tuesday, 9 June 2026. Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares and the nil-paid Right Shares.

### **RESPONSIBILITY STATEMENT**

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

### **RECOMMENDATIONS**

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Chu Kin Wang, Peleus, Dr. Lau Reimer, Mary Jean and Mr. Zhou Li, has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM. Red Sun has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable.

Your attention is drawn to the letter from the Independent Board Committee set out on pages 13 to 43 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 IFA-1 to IFA-25 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

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## LETTER FROM THE BOARD

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The Directors consider that the Increase in Authorised Share Capital, the Share Consolidation, the Rights Issue, the Placing Agreement, the Proposed Amendments and the proposed adoption of the New M&A, and the respective transactions contemplated thereunder are fair and reasonable so far as the Shareholders or Independent Shareholders (as the case may be) are concerned and in the interests of the Company and the Shareholders as a whole and recommend the Shareholders or the Independent Shareholders (as the case may be) to vote in favour of the resolutions to be proposed at the EGM.

Shareholders are advised to read the letter from the Independent Board Committee and the letter from the Independent Financial Adviser before deciding how to vote on the resolutions to be proposed at the EGM.

### ADDITIONAL INFORMATION

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

Yours faithfully  
For and on behalf of the Board  
**Madison Holdings Group Limited**  
**Ji Zuguang**  
*Chairman and non-executive Director*

**MADISON**  
— G R O U P —

**Madison Holdings Group Limited**

**麥迪森控股集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 08057)**

23 April 2026

*To the Independent Shareholders*

Dear Sir or Madam,

**PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE (3)  
RIGHTS SHARE FOR EVERY TWO (2) CONSOLIDATED SHARE  
HELD ON THE RECORD DATE**

We refer to the circular of the Company dated 23 April 2026 (the “Circular”) of which this letter forms part. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM.

Red Sun Capital Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this respect. Details of the advice from the Independent Financial Adviser, together with the principal factors taken into consideration in arriving at such advice, are set out on pages IFA-1 to IFA-25 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 13 to 43 of the Circular.

Having considered the factors and reasons considered by, and the opinion of, the Independent Financial Adviser as set out in its letter of advice to the Independent Shareholders and the Independent Board Committee on pages from IFA-1 to IFA-25 of this circular, we are of the opinion that the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole. We therefore

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**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

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recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the Rights Issue.

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

**Mr. Chu Kin Wang, Peleus**  
*Independent non-executive  
Director*

**Dr. Lau Reimer, Mary Jean**  
*Independent non-executive  
Director*

**Mr. Zhou Li**  
*Independent non-executive  
Director*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the full text of the letter from the Independent Financial Adviser which sets out its advice to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue and the transactions as contemplated thereunder, which has been prepared for the purpose of inclusion in this circular.*



**紅日資本有限公司**  
**RED SUN CAPITAL LIMITED**

Room 2703, Floor 27  
China Insurance Group Building  
141 Des Voeux Road Central  
Hong Kong

Tel: (852) 2857 9208  
Fax: (852) 2857 9100

23 April 2026

*To: The independent board of committee and the independent shareholders of  
Madison Holdings Group Limited*

### **PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY TWO (2) CONSOLIDATED SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS**

#### **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 23 April 2026 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

Reference is made to the Letter from the Board, the Company proposed to issue 93,469,083 Rights Shares by way of the Rights Issue, on the basis of three (3) Rights Shares for every two (2) Consolidated Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price of HK\$0.486 per Rights Share to raise approximately HK\$45.43 million before expenses (assuming no new issue or repurchase of Shares on or before the Record Date). The maximum net proceeds from the Rights Issue after deducting the relevant expenses are estimated to be approximately HK\$42.79 million (assuming no change in the number of Shares in issue on or before the Record Date). The Rights Issue will only be available to the Qualifying Shareholders and will not be available to the Non-Qualifying Shareholders. There will be no excess application arrangements in relation to the Rights Issue.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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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. Pursuant to Rule 10.31(1)(b) of the GEM Listing Rules, the Company will make arrangements to dispose of the Unsubscribed Rights Shares by offering the Unsubscribed Rights Shares to independent places for the benefit of the relevant No Action Shareholders to whom they were offered under the Rights Issue. As the Compensatory Arrangements are in place, there will be no excess application arrangements in relation to the Rights Issue.

### GEM LISTING RULES IMPLICATIONS

In accordance with Rule 10.29 of the GEM Listing Rules, as the Rights Issue will increase the issued shares of the Company by more than 50%, the Rights Issue is conditional on approval by the Independent Shareholders at the EGM by an ordinary resolution on which any controlling shareholders and their associates shall abstain from voting in favour under Rule 10.29(1) of the GEM Listing Rules. As at the Latest Practicable Date, Mr. Ting is interested in 264,672,915 Existing Shares, representing approximately 42.47% of the issued share capital of the Company. In accordance with the GEM Listing Rules, Mr. Ting and his associates and Shareholders who are involved in, or interested in (other than by being a Shareholder), or have a material interest in the Rights Issue will be required to abstain from voting on the resolution(s) to approve the Rights Issue and the transactions contemplated thereunder at the EGM. No other Shareholder is involved or interested in or has a material interest in the Rights Issue and the transactions contemplated thereunder and, hence, is required to abstain from voting on the resolution(s) to approve the Rights Issue and the transactions contemplated thereunder at the EGM.

### THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Chu Kin Wang, Peleus, Dr. Lau Reimer, Mary Jean and Mr. Zhou Li, has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue and the transactions contemplated thereunder are fair and reasonable and in the interest of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote at the EGM. We have been appointed as the Independent Financial Adviser and approved by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in this regard.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any business relationship with or interest in (i) the Company and its subsidiaries; (ii) Mr. Ting and his associates; (iii) SRA and/or its group; (iv) the Placing Agent; and (v) any other party materially involved in the Rights Issue that could reasonably be regarded as relevant in assessing our independence. Save for our appointment as the Independent Financial Adviser, Red Sun Capital Limited did not act as an independent financial adviser to the Company under the GEM Listing Rules in the past two years. Apart from the normal advisory fee payable to us in connection with our appointment as the Independent Financial Adviser, no arrangement exists whereby we shall receive any other fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent pursuant to Rule 17.96 of the GEM Listing Rules.

### BASIS OF OUR ADVICE

In formulating our advice, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations provided to us by the Group, the Directors and/or senior management of the Company (the “**Management**”). We have reviewed, among other things, (i) the Placing Agreement; (ii) the annual report of the Company for the year ended 31 March 2025 (the “**2025 Annual Report**”); (iii) the interim report of the Company for the six months ended 30 September 2025 (the “**2025 Interim Report**”); and (iv) the Letter from the Board and noted the principal terms of the Rights Issue, including the basis of the Rights Issue, the comparison of the Subscription Price to recent closing Share price and the best effort placing arrangement as part of the compensatory arrangement under the GEM Listing Rules. We have assumed that all information, representations and opinions contained or referred to in the Circular or made, given or provided to us by the Company, the Directors and the Management, for which they are solely and wholly responsible, were true and accurate and complete in all material respects at the time when they were made and continue to be so as at the Latest Practicable Date, and should there be any material changes to our opinion after the Latest Practicable Date, Shareholders would be notified as soon as possible. We have assumed that all the opinions and representations made by the Directors in the Circular have been reasonably made after due and careful enquiry. The Directors and the Management confirmed that no material facts have been omitted from the information provided and referred to in the Circular, nor statements, information, opinions or representation provided to us to be untrue, inaccurate or misleading.

We have not, however, carried out any independent verification of the information provided, nor have we conducted any independent investigation into the financial position, business and affairs of the Group or its respective history, experience and track records, or the prospects of the markets in which it operates.

We consider that we have been provided with sufficient information to enable us to reach an informed view and to provide a reasonable basis for our advice. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions and representations provided to us by the Group, the Directors and/or the Management and their respective advisers or to believe that material information has been withheld or omitted from the information provided to us or referred to in the aforesaid documents.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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This letter is issued to the Independent Board Committee and the Independent Shareholders solely for their consideration of the transactions as contemplated under 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 arriving at our opinion in respect of the Rights Issue, we have taken into consideration the following principal factors and reasons:

#### 1. Background and Financial Information of the Group

As set out in the Letter from the Board, the principal activity of the Company is investment holding and the principal activities of its subsidiaries are (i) retail sales and wholesales of wine products and other alcoholic beverages; (ii) provision of financial consultancy services; and (iii) provision of loan financing and loan referral services.

Set out below is a summary of (i) the audited consolidated financial performance of the Group for each of the years ended 31 March 2024 and 2025 as extracted from the 2025 Annual Report; and (ii) the unaudited financial performance of the Group for the six months ended 30 September 2024 and 2025 as extracted from the 2025 Interim Report.

*Summary of the Group's consolidated statement of profit or loss and other comprehensive income*

	For the year ended 31		For the six months ended	
	March		30 September	
	2025	2024	2025	2024
	(audited)	(audited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	71,095	68,087	33,462	34,437
Cost of operations	(16,143)	(16,544)	(7,720)	(7,219)
Other income	2,325	15,031	865	2,115
Finance costs	(6,457)	(13,481)	(2,635)	(3,577)
Loss before tax	(16,191)	(19,762)	(4,778)	(2,377)
Loss for the year/period	(15,252)	(17,790)	(6,268)	(5,298)

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Financial performance for the year ended 31 March 2025*

As set out in the 2025 Annual Report, the Group recorded revenue of approximately HK\$71.1 million for the year ended 31 March 2025 (“FY2025”), representing an increase of approximately 4.4% compared to approximately HK\$68.1 million for the year ended 31 March 2024 (“FY2024”). Such increase was mainly due to the increase in revenue generated from the loan financing business.

The Group’s cost of operations remained largely stable at approximately HK\$16.1 million in FY2025, compared to HK\$16.5 million in FY2024. The Group recorded other income of approximately HK\$0.2 million for FY2025 and HK\$15.0 million for FY2024, which mainly represented the net exchange gain.

The Group recorded finance costs of approximately HK\$6.5 million for FY2025, representing a decrease of 52.1% compared to approximately HK\$13.5 million for FY2024. The change in finance costs was mainly attributed to the decrease in interest expense on borrowings, loan from a non-controlling shareholder and lease liabilities.

The Group recorded a loss for the year of approximately HK\$15.3 million for FY2025, representing a decrease in loss of approximately 14.3% compared to approximately HK\$17.8 million for FY2024. Such fluctuation was mainly attributable to the decrease in finance cost.

### *Financial performance for the six months ended 30 September 2025*

As set out in the 2025 Interim Report, the Group recorded revenue of approximately HK\$33.5 million for the six months ended 30 September 2025 (“1H2025”), representing a decrease of approximately 2.8% compared to approximately HK\$34.4 million for the six months ended 30 September 2024 (“1H2024”). Such decrease was mainly due to the decrease in revenue generated from the loan financing business.

The Group’s cost of operations increased by approximately 6.9%, from approximately HK\$7.2 million in 1H2024 to approximately HK\$7.7 million in 1H2025, primarily due to higher cost of alcoholic beverages.

The Group’s finance costs amounted to approximately HK\$2.6 million for 1H2025, primarily consisting of interest expense on borrowings and lease liabilities.

The Group recorded a loss for the period of approximately HK\$6.3 million for 1H2025, representing an increase in loss of approximately 18.3% compared to approximately HK\$5.3 million for 1H2024. Such fluctuation was mainly attributable to the increase in net impairment recognized and decrease in other income.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Summary of the Group consolidated statement of financial position*

	<b>As at 30 September 2025 (unaudited) HK\$'000</b>	<b>As at 31 March 2025 (audited) HK\$'000</b>
<b>Non-current assets</b>	<b>43,439</b>	<b>21,703</b>
<b>Current assets</b>	<b>302,268</b>	<b>315,284</b>
– Loan and interest receivables	229,118	274,805
– Bank balances and cash	55,819	22,316
<b>Current liabilities</b>	<b>(195,181)</b>	<b>(187,581)</b>
– Amount due to a shareholder	(82,131)	(62,397)
– Loan from a non-controlling shareholder	(71,910)	(75,705)
– Borrowings	(16,992)	(18,992)
<b>Net assets</b>	<b>149,922</b>	<b>148,929</b>

*Note:* For the avoidance of doubt, only selected major asset and liability components are disclosed in the table above.

### *Consolidated Financial position as at 30 September 2025*

Total assets of the Group amounted to approximately HK\$345.7 million as at 30 September 2025, which increased from the total assets of the approximately HK\$337.0 million as at 31 March 2025. The total assets of the Group as at 30 September 2025 mainly comprised (i) loan and interest receivables of approximately HK\$229.1 million; (ii) bank balances and cash of approximately HK\$55.8 million; and (iii) trade and other receivables of approximately HK\$11.2 million.

Total liabilities of the Group recorded at approximately HK\$195.8 million as at 30 September 2025, which mainly consisted of (i) amount due to a shareholder of approximately HK\$82.1 million; (ii) loan from a non-controlling shareholder of approximately HK\$71.9 million; (iii) borrowings of approximately HK\$17.0 million; and (iv) trade and other payables of approximately HK\$13.2 million.

The net assets of the Group amounted to approximately HK\$149.9 million as at 30 September 2025, which slightly increased from the net assets of the Group of approximately HK\$148.9 million as at 31 March 2025.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Reasons for and benefits of the Rights Issue and use of proceeds*

As disclosed in the 2025 Interim Report, as at 30 September 2025, the Outstanding Loans of the Group amount to approximately HK\$171.0 million. The Shareholder's Loan is non-interest bearing, while the effective interest rates on the SRA Loan and the other borrowings of the Group are 4% and 12% per annum, respectively. For the year ended 31 March 2025, the Group incurred finance costs of approximately HK\$6.5 million. Pursuant to the terms of the Shareholder's Loan, the Shareholder's Loan is repayable on demand and the Group is required to repay an amount of not less than HK\$24.80 million by August 2026. As disclosed in the announcement of the Company dated 28 November 2025, the SRA Loan had already become due. On the other hand, the other borrowings together with the interests accrued thereon in the amount of approximately HK\$2.82 million will be due within the next 6 months from March 2026. As disclosed in the announcement of the Company dated 28 November 2025, the Company had entered into a conditional loan extension agreement with SRA in relation to the extension of the maturity date of the SRA Loan to 30 September 2031.

As disclosed in the "Letter from the Board", the Group intends to apply the net proceeds from the proposed Rights Issue of approximately HK\$42.79 million as follows:

- (i) approximately HK\$39.79 million for repayment of part of the Outstanding Loans (including approximately HK\$24.80 million for the settlement of the Shareholder's Loan and approximately HK\$14.99 million for the settlement of other borrowings). It is estimated that the finance costs of the Group will be reduced by approximately HK\$1.50 million per annum after repayment of such principal amount of the Outstanding Loans and the financial results of the Group are expected to improve as a result; and
- (ii) approximately HK\$3.00 million for the general working capital of the Group.

The table below sets out the breakdown of use of proceeds from the Rights Issue for the repayment of the Outstanding Loans:

Outstanding Loans	Outstanding amount as at 28 February 2026	Interest accrued as at 28 February 2026	Use of proceeds from the Rights Issue
Shareholder's Loan	Approximately HK\$90.86 million	-	Approximately HK\$24.80 million
SRA Loan	Approximately JPY1,352.0 million (equivalent to HK\$66.25 million)	Approximately JPY18.55 million (equivalent to HK\$0.91 million)	-
Other borrowings	Approximately HK\$14.99 million	Approximately HK\$0.13 million	Approximately HK\$14.99 million

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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In the event that there is an undersubscription of the Rights Issue, the use of proceeds raised from the Rights Issue will be allocated on a pro-rata basis for the purposes disclosed above.

In view of the above, the Directors consider that that the Rights Issue is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Since the Group is required to repay an amount of not less than HK\$24.80 million of the Shareholder's Loan by August 2026, failing which, the Company would be in breach of such terms under the Shareholder's Loan. Allocating part of the net proceeds from the Rights Issue for such repayment therefore avoids immediate legal and liquidity risks associated with a potential breach of the terms under the Shareholder's Loan and preserves working capital of the Group for settlement of its other liabilities as they fall due.

Based on our review of the recent financial position of the Group as at 30 September 2025 and in particular, (i) its bank balances and cash of approximately HK\$55.8 million as well as the Group's net borrowing position of approximately HK\$115.2 million (calculated by subtracting bank balances and cash from the total of amount due to a shareholder, loan from a non-controlling shareholder and borrowings); (ii) over half of its bank balances and cash of approximately HK\$55.8 million as at 30 September 2025 were earmarked for the working capital to maintain the substantiality of the loan financing business of the Company, therefore, the Group may not have sufficient working capital to meet the Group's obligation to repay an amount of not less than HK\$24.80 million of the Shareholder's Loan by August 2026; (iii) the Group's obligation to repay part of the Shareholder's Loan, failing which, the Company would be in breach of such terms under the Shareholder's Loan. Allocating part of the net proceeds from the Rights Issue for such repayment therefore avoids immediate legal and liquidity risks associated with a potential breach of the terms under the Shareholder's Loan and preserves working capital of the Group for settlement of its other liabilities as they fall due; and (iv) the Outstanding Loans of the Group amount to approximately HK\$171.0 million, we concur with the Board's view that it is imperative to conduct fundraising activities to maintain sufficient working capital to finance its operations and to meet its financial obligations. As at 28 February 2026, the Outstanding Loans comprise (a) HK\$90.86 million of the Shareholder's Loan; (b) JPY1,352.0 million (equivalent to HK\$66.25 million) of the SRA Loan; and (c) HK\$14.99 million of the other borrowings. The SRA Loan of approximately JPY1,352.0 million (equivalent to HK\$66.25 million), which carries an effective interest rate of 4% per annum, had already become due as at 28 November 2025. The Company has entered into a conditional loan extension agreement with SRA to extend the maturity date of the SRA Loan to 30 September 2031. Furthermore, the other borrowings of approximately HK\$14.99 million, bearing a high effective interest rate of 12% per annum, together with accrued interest of approximately HK\$2.82 million, will fall due within six months from March 2026. Also, given the Company had entered into a conditional loan extension agreement with SRA in relation to the extension of the maturity date of the SRA Loan to 30 September 2031 and compared with the repayment of Shareholder's Loan of not less than HK\$24.80 million by August 2026

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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and also considering the above reasons and potential consequences of fall due of the Shareholder's Loan, we concur with the Directors' view that repayment of the Shareholder's loan is fair and reasonable and in interest of shareholders over retaining a larger working capital buffer or repaying third-party debt and the proposed use of proceeds is fair and reasonable.

We have discussed with the Management, due to the fact that the Shareholder's Loan is repayable on demand, and the Group is required to repay an amount of not less than HK\$24.80 million of the Shareholder's Loan by August 2026, it is difficult for the Group to obtain new debt financing/bank loans with favourable interest rate and even if debt financing is granted, it may not be achievable on favourable terms in a timely manner and it may also be subject to lengthy due diligence and negotiations with financial institutions. Based on the updated outstanding loan balances as at 28 February 2026 and the Group's net borrowing position, we are of the view that alternative debt financing is not a timely substitute for the Rights Issue.

Assuming that all Rights Shares to be issued under the Rights Issue have been taken up in full, the Board is of the view that the Company is expected to have sufficient working capital for at least twelve months from the date of completion of the Rights Issue. Therefore, we also consider it is appropriate for the Group to apply net proceeds to repay part of the Outstanding Loans upon completion of the Rights Issue described above.

Having taken into account of (i) the Company had cash and cash equivalents amounted to approximately HK\$55.8 million as at 30 September 2025; (ii) the Company has insufficient internal financial resources as at the Latest Practicable Date to settle the Outstanding Loans in full; (iii) it is difficult for the Group to obtain new debt financing/bank loans with favourable interest rate and even if debt financing is granted, it may not be achievable on favourable terms in a timely manner and it may also be subject to lengthy due diligence and negotiations with financial institutions; (iv) the Outstanding Loans comprised the SRA Loan and the other borrowings, carrying an annual interest rate of 4% and 12% and failure to repay such loans will further exacerbate the financial burden of the Group; (v) failure to repay the Outstanding Loans constituted a breach of the repayment terms and resulted in default under the respective loan agreements. The subject lenders are entitled to pursue further actions, including legal proceedings against the Company, with a view to recover the outstanding principal and interests; and (vi) such actions could expose the Group to undue risks, including, where applicable, litigation, suspension in trading of the Shares, cross-default, and, in the event of continued non-repayment, delisting and/or potential liquidation of the Company, if such matters are left unresolved, we are of the view that the Company has imminent funding needs to raise additional funds through the Rights Issue, in particular, to settle the Outstanding Loans. Notwithstanding the conditional extension of the SRA Loan to 30 September 2031, the Group's most immediate funding needs remain the repayment of the Shareholder's Loan in the amount of HK\$24.80 million due by August 2026, failure of which would constitute an immediate breach, and the other borrowings of HK\$14.99 million due within six months from March 2026 bearing an interest rate of 12% per annum. We are of the view that the Rights Issue proceeds are specifically allocated to address these two imminent obligations, which is fair and reasonable from a funding needs perspective.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Fundraising alternatives*

The Company has considered alternative financing strategies before resolving to the Rights Issue, including but not limited to, debt financing or placing of new Shares. We noted that while debt financing or bank loans would result in additional interest burden to and higher gearing ratio of the Group, also, in light of the loss-making position of the Group for the year ended 31 March 2025 and for the six months ended 30 September 2025 and the relatively high gearing ratio of the Group, it is difficult for the Group to obtain loans with favourable interest rate. Placing of new Shares would dilute the shareholding of the existing Shareholders while the Rights Issue will allow the Qualifying Shareholders to maintain their respective shareholdings in the Company on a pro rata basis.

Having consider that (i) debt financing or bank loans would result in additional interest burden to and higher gearing ratio of the Group; (ii) it is difficult for the Group to obtain loans with favourable interest rate; (iii) placing of new Shares would dilute the shareholding of the existing Shareholders while the Rights Issue will allow the Qualifying Shareholders to maintain their respective shareholdings in the Company on a pro rata basis; and (iv) the Rights Issue will allow Qualifying Shareholders to participate in the future development of the Company and at the same time offer flexibility to the Qualifying Shareholders to choose whether to maintain their respective pro-rata shareholding interests in the Company or trade the relevant nil-paid Rights Shares in the market thus reducing impact from dilution of their shareholdings, we concur with the Board's view that fundraising by way of the Rights Issue which will offer Qualifying Shareholders the opportunity to maintain their respective pro rata shareholding interests in the Company is appropriate and is fair and beneficial to the Company and its shareholders as a whole.

Taking into account that (i) the Company only had cash and cash equivalents amounted to approximately HK\$55.8 million as at 30 September 2025; (ii) based on our discussion with the Management on the financial information; and (iii) the estimated net proceeds from the Rights Issue of approximately HK\$42.79 million, which is intended to be applied towards (a) the repayment of the Outstanding Loans; and (b) general working capital purposes, we concur with the Directors that, barring unforeseen circumstances, the Group shall have sufficient working capital for its present requirements for at least the next twelve months from the date of this Circular.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 2. Principal terms of the Rights Issue and the Placing Agreement

Assuming no further change in the number of issued Shares on or before the Record Date:

<b>Basis of the Rights Issue</b>	:	Three (3) Rights Shares (in nil-paid form) for every two (2) Consolidated Shares held at the close of business on the Record Date
<b>Subscription Price</b>	:	HK\$0.486 per Rights Share
<b>Number of Existing Shares in issue as at the Latest Practicable Date</b>	:	623,127,227 Existing Shares
<b>Number of Consolidated Shares in issue upon the Share Consolidation having become effective</b>	:	62,312,722 Consolidated Shares
<b>Number of Rights Shares to be issued pursuant to the Rights Issue</b>	:	Up to 93,469,083 Rights Shares (assuming no change in the number of Consolidated Shares in issue on or before the Record Date)
<b>Aggregate nominal value of the Rights Shares</b>	:	Up to HK\$9,346,908.30 (assuming no change in the number of Shares in issue on or before the Record Date)
<b>Number of Consolidated Shares in issue upon completion of the Rights Issue (assuming that the Rights Issue is fully subscribed)</b>	:	Up to 155,781,805 Consolidated Shares (assuming no change in the number of Consolidated Shares in issue on or before the Record Date and that no new Consolidated Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
<b>Gross proceeds from the Rights Issue (before expenses)</b>	:	Approximately HK\$45.43 million

As at the Latest Practicable Date, there are outstanding share options carrying the right to subscribe for 21,650,000 Existing Shares. Save for the above, there are no options, warrants, derivatives or other convertible securities granted by the Company which confer rights to subscribe for, convert or exchange into Existing Shares that are subsisting as at the Latest Practicable Date.

Assuming no change in the number of issued Consolidated Shares on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the maximum of 93,469,083 Rights

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Shares proposed to be issued pursuant to the terms of the Rights Issue represent approximately (i) 150.0% of the issued share capital of the Company immediately upon completion of the Share Consolidation but before the completion of the Rights Issue and (ii) 60.0% of the issued share capital of the Company after completion of the Share Consolidation and the Rights Issue as enlarged by the allotment and issue of the Rights Shares.

### *Non-underwritten basis*

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully-subscribed, any Unsubscribed Rights Shares will be placed to independent places on a best effort basis by the Placing Agent under the Compensatory Arrangements. Any Unsubscribed Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue. As the Rights Issue will proceed on a non-underwritten basis, any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken-up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 10.26(2) of the GEM Listing Rules. Such scale-down of applications of Rights Shares shall operate on a fair and equitable basis. Where the scale-down is necessitated by the exceeding of shareholding by a group rather than an individual Shareholder, the allocations of PAL(s) to members of the affected group should be made on a pro-rata basis by reference to the number of Shares held by the affected applicants on the Record Date, but for the avoidance of any doubt, any or any such onward allocation(s) shall be subject to the scaling-down as well. Any subscription monies not utilised due to the scaled-down application of entitled Rights Shares will be refunded to the affected applicants.

### *Subscription Price*

The Subscription Price of HK\$0.486 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares or, where applicable, when a transferee of nil-paid Rights Shares applies for the Rights Shares, the net price per Rights Share is estimated to be approximately HK\$0.458.

The Subscription Price represents:

- (i) a discount of 40.0% to the theoretical closing price of HK\$0.81 per Consolidated Share (after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange on the Last Trading Day;

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (ii) a discount of approximately 39.10% to the theoretical average closing prices per Consolidated Share (after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange for the five previous consecutive trading days up to and including the Last Trading Day of HK\$0.798 per Consolidated Share;
- (iii) a discount of approximately 37.05% to the theoretical average closing prices per Consolidated Share (after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange for the ten previous consecutive trading days up to and including the Last Trading Day of HK\$0.772 per Consolidated Share;
- (iv) a discount of approximately 21.10% to the theoretical ex-rights price of approximately HK\$0.616 per Consolidated Share based on the closing price of HK\$0.81 per Consolidated Share (after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange on the Last Trading Day;
- (v) a discount of approximately 79.83% to the net asset value of the Company of approximately HK\$2.41 per Consolidated Share calculated based on the unaudited consolidated net asset value of the Company of approximately HK\$149,922,000 as at 30 September 2025 and the total number of issued Consolidated Shares after the Share Consolidation, which will be 62,312,722 Shares; and
- (vi) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 24.00%, to the existing Shareholders if they elect not to participate in the Rights Issue, which is calculated based on the theoretical diluted price of approximately HK\$0.616 per Consolidated Share and the theoretical benchmarked price (as defined under Rule 10.44A of the GEM Listing Rules) of HK\$0.81 per Consolidated Share.

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As set out in the Letter from the Board, when determining the Subscription Price, the Directors have considered, among other things, (i) the average closing price of the Shares quoted on the Stock Exchange of approximately HK\$0.072 for the three months up to and including the Last Trading Day; (ii) the highest and lowest closing price of the Shares quoted on the Stock Exchange of HK\$0.084 and HK\$0.055 respectively for the three months up to and including the Last Trading Day; and (iii) the persistent loss-making position of the Company. Thus, the Directors consider that, despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders are provided with an equal opportunity to subscribe for their assured entitlements under the Rights Issue for the purpose of maintaining their respective existing shareholding interests in the Company; and (ii) the Subscription Price represents a discount of approximately 40.00% and 32.74% to the closing price of the Shares on the Last Trading Day and the average of the closing prices of the Shares for the last three months up to and including the Last Trading Day respectively, and such discounts would encourage the Qualifying Shareholders to subscribe for their assured entitlements under the Rights Issue.

Although the Subscription Price represents a discount of approximately 40.0% to the closing price of HK\$0.81 per Consolidated Share (after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange on the Last Trading Day, it should be noted that the Outstanding Loans of the Group amount to approximately HK\$171.0 million as at 30 September 2025 with only bank balances and cash of approximately HK\$55.8 million. Therefore, the Directors are of the view that it is reasonable for the Subscription Price to be set at a discount to the prevailing closing price of the Shares in order to attract the Qualifying Shareholders to participate in the Rights Issue. Given these factors, the Directors considers that only a discounted price of the Shares would be attractive to the Qualifying Shareholders to participate in the Rights Issue, enabling the Company to raise sufficient capital.

As part of our work performed, we have conducted an independent analysis of recent comparable rights issue transactions, further details of which are set out in the sub-section headed "Analysis on recent rights issue market comparables" in this section below.

As set out in the Letter from the Board, the Subscription Price was determined with reference to (i) the average closing price of the Shares quoted on the Stock Exchange for the three months up to and including the Last Trading Day; (ii) the highest and lowest closing price of the Shares quoted on the Stock Exchange for the three months up to and including the Last Trading Day; (iii) the persistent loss-making position of the Company; and (iv) the reasons for and benefits of the Rights Issue as discussed in the Letter from the Board. The Board considers that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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### *Irrevocable Undertaking*

The Company has not received any information or irrevocable undertaking from any Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them under the Rights Issue as at the Latest Practicable Date.

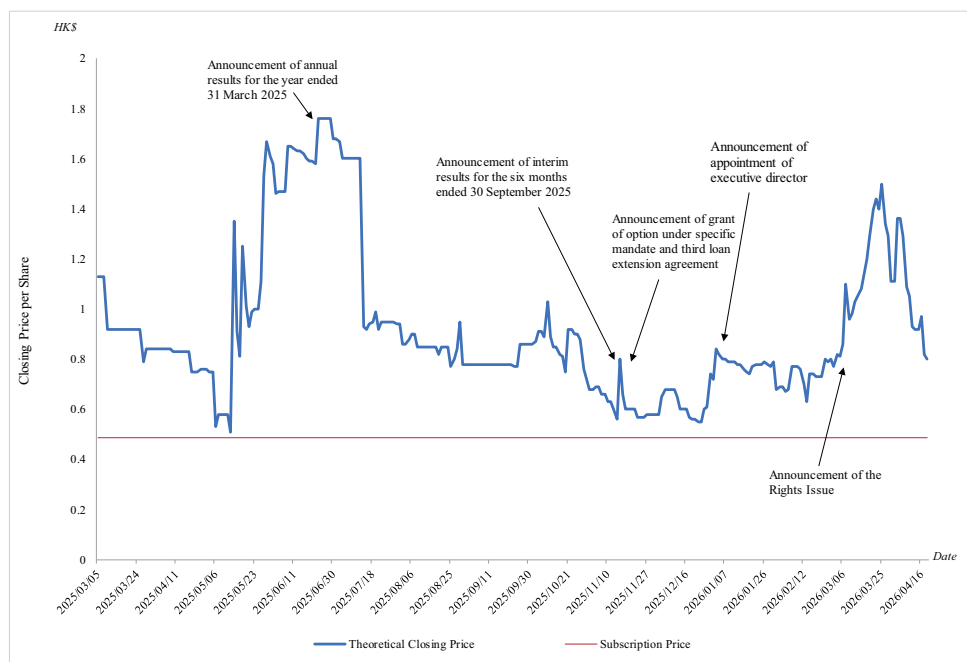
### *Analysis on the Subscription Price*

In order to assess the fairness and reasonableness of the Subscription Price, we set out the following analysis for illustrative purposes:

### *Analysis on historical Share price performance*

In order to assess the fairness and reasonableness of the Subscription Price, we have reviewed the movements in the closing price per Share during the period from 5 March 2025, being 12 months immediately preceding the Last Trading Day, up to and including the Latest Practicable Date (the “**Share Price Review Period**”), which is commonly adopted for share price analysis of similar type. We consider that a period of 12 months is adequate and sufficiently lengthy to illustrate the recent price movements of the Shares for conducting a reasonable comparison between the Subscription Price and the closing price of the Shares for assessing the reasonableness and fairness of the Subscription Price.

### *Share price chart during the Share Price Review Period*



Source: [www.hkex.com.hk](http://www.hkex.com.hk)

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During the Share Price Review Period, the average closing price per Consolidated Share was approximately HK\$0.928 per Consolidated Share (after taking into account the effect of the Share Consolidation) (the “**Average Closing Price**”). The daily closing price per Consolidated Share ranged from HK\$0.51 per Consolidated Share recorded on 13 May 2025 (the “**Lowest Closing Price**”) to HK\$1.76 per Consolidated Share recorded on 23 June 2025 (the “**Highest Closing Price**”).

As set out in the chart above, during the Share Price Review Period, we noted the closing Share price experienced a broad downward trend from the Highest Closing Price on 23 June 2025 around the early period of the Share Price Review Period to the relatively low closing price in December 2025 with an average of approximately HK\$0.62 per Consolidated Share, with fluctuations during the aforesaid period from time to time.

The closing Share price experienced significant fluctuation in the month of March 2026 and up to the Last Trading Date, the Company confirmed that save as disclosed in the announcement of the Company at the relevant time, the Company was not aware of any reasons that may lead to the price fluctuation at the material time.

As set out in the section headed “Analysis on recent rights issue market comparables” in this letter below, we noted that it is a common market practice (six out of eight Rights Issue Comparables) to set the subscription price at a discount to the prevailing trading prices of the relevant shares with a view to the attract and encourage shareholders to participate in the rights issue. Having considered the above and the factors set out in our analysis under the section headed “2. Reasons for the Rights Issue and the use of proceeds”, we consider that the Subscription Price, which is set at a discount to the closing price on the Last Trading Day, is fair and reasonable.

### *Our analysis on historical trading volume and liquidity*

We have also reviewed the historical trading volume of the Shares during the Share Price Review Period. The number of trading days, average daily trading volume of the Shares and the percentages of daily trading volume of the Shares as compared to the total number of issued Shares and the Shares held by the public during the Share Price Review Period are set out in the table below.

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Month/period	Number of trading days	Approximately average daily number of Shares traded	Percentage of average daily trading volume to total number of issued shares as at the end of the month/period <i>(Note 1)</i>
<b>2025</b>			
March <i>(from 5 March 2025)</i>	19	211,811	0.03%
April	19	13,263	0.00%
May	20	1,342,920	0.22%
June	21	49,276	0.01%
July	22	202,182	0.03%
August	21	18,419	0.00%
September	22	4,364	0.00%
October	20	51,540	0.01%
November	20	541,200	0.09%
December (up to the Latest Practicable Date)	21	459,308	0.07%
<b>2026</b>			
January	21	112,571	0.02%
February	17	92,471	0.01%
March	22	583,600	0.09%
April (up to the Latest Practicable Date)	11	479,891	0.08%
<b>Average</b>		297,344	0.05%
<b>Maximum</b>		1,342,920	0.22%
<b>Minimum</b>		4,364	0.00%

Source: [www.hkex.com.hk](http://www.hkex.com.hk)

Note:

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

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As set out in the table above, during the Share Price Review Period, the percentage of average daily trading volume of the Shares by month/period were in the range of approximately 0.00% to approximately 0.22% with an average of approximately 0.05% (the “**Average Trading Volume Percentage**”) as to the total number of issued Shares.

Based on the above statistics, the trading liquidity of the Shares has been low in the open market, given the Average Trading Volume Percentage of approximately 0.05%, and the closing price per Share generally showed a decreasing trend during the Share Price Review Period as discussed under the section headed “Analysis on historical Share price performance” in this letter above, we consider that the Company will face challenges to conduct equity fundraising without a discount to the prevailing Share price.

Although the Subscription Price represents a discount of approximately 40.0% to the closing price of HK\$0.81 per Consolidated Share (after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange on the Last Trading Day, it should be noted that the Outstanding Loans of the Group amount to approximately HK\$171.0 million as at 30 September 2025 with only bank balances and cash of approximately HK\$55.8 million. On this basis and having considered the financial performance and financial conditions of the Group as analysed under the section headed “1. Information of the Group” in this letter, we are of the view that it is reasonable for the Subscription Price to be set at a discount to the prevailing closing price of the Shares in order to attract the Qualifying Shareholders to participate in the Rights Issue.

### *Analysis on recent rights issue market comparables*

With a view to assess the fairness and reasonableness of the terms of the Rights Issue, we have conducted market research on recent proposed rights issue transactions based on the following selection criteria: (i) the shares of the company are listed on the GEM of the Stock Exchange; and (ii) the proposed rights issues announced during the 6-months period (the “**Review Period**”) commencing on 5 September 2025 up to and including the Last Trading Day (the “**Criteria**”). Based on the Criteria, we have identified eight rights issues (the “**Rights Issue Comparable(s)**”) for the purpose of our analysis, which is exhaustive based on the selection Criteria.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We consider the Review Period of approximately six months is adequate and appropriate for the purpose of our analysis given that (i) such length of Review Period would provide us with an insight into the recent market practice of rights issues for comparison purposes; (ii) the Review Period captures the prevailing market sentiment, including investor confidence and appetite for equity fundraising, which are critical in assessing the relative attractiveness of rights issues; (iii) the Review Period reflects the impact of geopolitical tensions and war-related uncertainties on share market performance, thereby ensuring that our analysis takes into account the volatility and fluctuations that have materially influenced capital raising activities; and (iv) we are able to identify a sufficient and reasonable sample size of Rights Issue Comparables within the Review Period, being a total of eight Rights Issue Comparables, based on the Criteria, which was determined based on the principal terms of the Rights Issue with a view to identify recent rights issues conducted by GEM listed companies. Although we noted that (i) the structure and size of the rights issue announced by the Rights Issue Comparables may not be directly comparable to the terms of the Rights Issue due to the differences in size of the listed issuer, their shareholding structure and/or their respective funding needs at the time; and (ii) the business activities of the listed issuers conducting the Rights Issue Comparables may not be directly comparable to the business activities carried out by the Group, we would still consider, in light of our selection criteria, capturing recent rights issues under similar market conditions and sentiments can provide us with a general reference on the recent practices of the premium/discount of subscription price for this type of transaction on the equity capital market in Hong Kong. Despite the terms of the rights issue depend on various factors, including the dilution effects to shareholding, the funding needs and use of proceeds, discounts to share price, etc., we consider that they are often influenced by the recent market trends for rights issue. Hence, despite the Rights Issue Comparables are on different basis of entitlement, and involved issuers which engaged in different business or with different financial performance and different proposed use of proceeds from that of the Group, we consider that the Rights Issue Comparables and the Review Period of six months are appropriate and reasonable to serve as a general reference for the purpose of an assessment on the Subscription Price and recent market practice, as (i) all of the Rights Issue Comparables and the Company are listed on GEM of the Stock Exchange; (ii) our analysis is mainly concerned with the comparison of subscription price to closing price, maximum dilution on the shareholding and theoretical dilution effect; and (iii) the Review Period of six months offers sufficient scope to capture transaction characteristics and identify representative samples, as evidenced by eight Rights Issue Comparables, while balancing analytical depth with timeliness to ensure conclusions remain reliable and relevant. We have also included transactions still pending shareholder approval since our analysis is mainly concerned with the comparison of subscription price to closing price, maximum dilution on the shareholding and theoretical dilution effect and providing a general reference for the purpose of an assessment on the Subscription Price and recent market practice, therefore we consider including the abovementioned transactions is fair and reasonable.

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We set out our findings in the following table:

Date of announcement	Company name (Stock code)	Basis of entitlement	Gross proceeds (Approximately HK\$' million)	Premium/ (discount) of subscription price over/to the closing price per share on the last trading day (Approximately %)	Premium/ (discount) of subscription price over/to the average closing price per share for the 10 consecutive trading days up to and including the last trading day (Approximately %)	Premium/ (Discount) of subscription price over/to the consolidated net asset value per share (Note 1) (Approximately %)	Excess application (Yes/No)	Underwritten (Yes/No)	Theoretical dilution effect (Approximately %)	Placing commission %	Relevant shareholders' approval obtained or completed as at the Latest Practicable Date
16-Feb-2026	Mindtell Technology Limited ("Mindtell") (8611)	1 for 1	280.8	(40.6)	(41.9)	3,900 (Note 2)	No	No	21.7	2.0	No (Note 3)
11-Feb-2026	NIU Holdings Limited (8619)	2 for 1	30.9	(33.5)	(35.7)	(92.7)	No	No	24.0	1.0	No (Note 3)
6-Feb-2026	WLS Holdings Limited (8021)	1 for 1	86.2	(40.0)	(41.2)	(77.1)	No	No	21.6	N/A	Yes
4-Nov-2025	Zhongshi Minan Holdings Limited (8283)	5 for 1	100.8	(23.9)	(25.7)	(64.7)	No	No	21.7	2.5	Yes
24-Oct-2025	jiading International Group Holdings Limited (8153)	1 for 2	6.9	(38.8)	(30.0)	N/A	No	No	12.9	2.0	Yes
17-Oct-2025	World Super Holdings Limited ("World Super") (8612)	3 for 1	31.1	23.5	17.8	669.2 (Note 2)	No	No	N/A	2.5	Yes
9-Oct-2025	Hao Bai International (Cayman) Limited (8431)	4 for 1	38.2	(19.2)	(26.3)	59.1	No	No	23.2	1.5	Yes
22-Sept-2025	Gameone Holdings Limited (8282)	1 for 2	11.4	1.7	(2.9)	(3.2)	Yes	No	0.6	N/A	Yes
	<b>Maximum</b>			23.5	17.8	59.1			24.0	2.5%	
	<b>Minimum</b>			(40.6)	(41.9)	(92.7)			0.6	1.0%	
	<b>Average</b>			(21.4)	(23.2)	(35.7)			18.0	1.9%	
	<b>The Company</b>			(40.0)	(37.05)	(79.83)	No	No	24.0	2.0%	

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

*Notes:*

1. The net asset value (the “NAV”) per share is calculated based on the latest published audited/unaudited consolidated equity attribute to owners of the company and total number of shares in issue as at the date of the respective announcements. “N/A” denotes that the NAV of the rights issue comparable company that has net liabilities according to their respective latest published audited/unaudited consolidated financial statements.
2. The premium of the subscription price over the net asset value per issued share of Mindtell and World Super are exceptionally high as compared to the other Rights Issue Comparables and therefore such ratios for Mindtell and World Super are considered outliers for the purpose of our analysis herein (the “Outliners”), and are therefore not included in the calculation of the premium/discount of the subscription price to the net assets per share.
3. Pending the issuance of the relevant rights issue circular and shareholders’ approval

As set out in the table above, we noted that the premium or discount of subscription price over or to (i) the closing price on the last trading day of the Rights Issue Comparables ranged from a discount of approximately 40.6% to a premium of approximately 23.5% (the “Comparable LTD Range”), with an average discount of approximately 21.4% (the “Average Discount of Comparable LTD”); and (ii) average closing price per share for the 10 consecutive trading days up to and including the last trading day of the Rights Issue Comparables ranged from a discount of approximately 41.9% to a premium of approximately 17.8% (the “Comparable 10-TD Range”), with an average discount of approximately 23.2% (the “Average Discount of Comparable 10-TD”). The Subscription Price represents (i) a discount of approximately 40.0% to the closing price per Share on the Last Trading Day, which is within the Comparable LTD Range; and (ii) a discount of approximately 37.05% to the average closing price per Share for the 10 consecutive trading days up to and including Last Trading Day, which is within the Comparable 10-TD Range. Notwithstanding the wide range of discounts and premiums observed, having considered that (i) all eight Rights Issue Comparables were selected based on Criteria within the six-month Review Period, ensuring that they reflect recent market practice of similar transactions to the Rights Issue conducted by companies listed on GEM of the Stock Exchange; (ii) while the structures of rights issue, sizes of gross proceeds, and business activities of the Rights Issue Comparables may differ, the key parameters are considered to be relevant to our analysis for comparison purposed, namely subscription price relative to closing price, and theoretical dilution effect and placing commission; and (iii) the observed range of discounts and premiums is a result of prevailing market practice, which demonstrated the variations in the market, we consider the Rights Issue Comparables to be fair and representative samples.

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It is also noted from the table above that the premium or discount of the subscription price over/to the consolidated net asset value per share of the Rights Issue Comparables ranged from a discount of approximately 92.7% to a premium of approximately 59.1%, excluding the Outliners (i.e. Mindtell and World Super) as detailed under note 2 of the table above given both are notably higher than the next premium to the consolidated net asset value per share of the Rights Issue Comparables, with an average discount of approximately 35.7 %. The Subscription Price represents a discount of approximately 79.8% to the consolidated net asset value per share, which is also within the range.

The Rights Issue allows the Qualifying Shareholders to maintain their proportionate interests in the Company and to participate in the future development of the Company should they wish to do so. However, those 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 and their aggregate shareholding interests in the Company may be reduced accordingly.

The theoretical dilution effect of the Rights Issue Comparables ranged from approximately 0.6% to approximately 24.0% (the “**Comparable Dilution Range**”), with an average theoretical dilution effect of approximately 18.0% (the “**Average Comparable Dilution**”). The theoretical dilution effect of the Rights Issue of approximately 24.0% is within the Comparable Dilution Range.

It is noted from the Letter from the Board that the Qualifying Shareholders will not be entitled to subscribe for any Rights Shares in excess of their respective entitlements. Based on our analysis on the Rights Issue Comparables, we noted that seven out of eight Rights Issue Comparables, did not offer excess application as part of the rights issue. On this basis, we considered the absence of excess application is in line with market practice.

We also noted that the Rights Issue is conducted on a non-underwritten basis, of which all of the Rights Issue Comparables were conducted on a non-underwritten basis. As such, we considered that the Rights Issue being conducted on a non-underwritten basis is not uncommon in the market.

Furthermore, the Rights Issue will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company, for Qualifying Shareholders who accept their respective entitlements under the Rights Issue in full, they would be able to maintain their respective existing shareholdings in the Company after completion of the Rights Issue. As such, we considered that the absence of excess application arrangement is acceptable so far as the Independent Shareholders are concerned.

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The placing commission of the Rights Issue Comparables, where applicable, ranged from 1.0% to 2.5%, with an average of approximately 1.9% (the “**Comparable Placing Commission Range**”). Pursuant to the terms of the Placing Agreement, the Placing Agent shall be entitled to a commitment fee equal to 2.0% of the actual gross proceeds from the successful subscription of the Placing Shares (the “**Placing Commission**”), and the such percentage is in line with the average placing commission of the Rights Issue Comparables.

Having considered that (i) our analysis on the closing price per Share during the Share Price Review Period; (ii) the thin trading volume of the Shares during most of the Share Price Review Period; (iii) the discount to closing prices offered by the Subscription Price is common market practice and such discount falls within the range of that of the Rights Issue Comparables; (iv) theoretical dilution effect of the Rights Issue is in compliance with the theoretical dilution limit as set out under the GEM Listing Rules; (v) the discount to closing prices offered by the Subscription Price could enhance the attractiveness of the Rights Issue and encourage Qualifying Shareholders to participate; (vi) the Rights Issue being conducted on a non-underwritten basis, is not uncommon in the market; and (vii) our analysis on the Placing Commission, which we understand that it serves as an incentive for the Placing Agent to secure independent Placers in the event that the Rights Issue is under-subscribed, we are of the view that the Subscription Price is on normal commercial term and is fair and reasonable so far as the Independent Shareholders are concerned and the potential dilution effect of the Rights Issue is fair and reasonable so far as the Independent Shareholders are concerned.

### 3. **Equity fundraising activities in the past 12 months**

The Company has not conducted any fundraising activity involving issue of equity securities in the past twelve months immediately preceding the date of the Announcement.

### 4. **Financial effects of the Rights Issue**

According to the unaudited pro forma financial information of the Group as set out in Appendix II to the Circular, assuming the completion of the Rights Issue had been completed and subscribed in full, the unaudited consolidated net tangible liabilities of the Group attributable to the owners of the Company would have decreased from approximately HK\$131.7 million to an unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to the owners of the Company of approximately HK\$88.9 million immediately after the completion of the Rights Issue. As at 31 March 2025, the Group’s gearing ratio, as measured by the debts of non-trade nature, excluding derivative financial instruments and lease liabilities, divided by total equity, was approximately 63.6% (2024: 88.8%).

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The gross proceeds of approximately HK\$45.43 million to be raised from the Rights Issue would increase total equity. The pro forma gearing ratio of the Group under the Rights Issue would be approximately 48.7%, representing a significant reduction from the existing gearing ratio of the Group of approximately 63.6%.

If the same capital requirement were financed by additional bank borrowings instead of the Rights Issue, total borrowings would increase by approximately HK\$45.43 million. The pro forma gearing ratio of the Group under this alternative would be approximately 94.1%, which is substantially higher than both the Group's existing gearing ratio of approximately 63.6% and the pro forma ratio of the Group of approximately 48.7% under the Rights Issue scenario. It should be noted that the aforementioned analysis is for illustrative purposes only and does not purport to represent how the financial position of the Group will be upon completion of the Rights Issue.

### RECOMMENDATION

Having taken into consideration the principal factors and reasons as referred to the above, including

- (i) the imminent need for capital by the Group to settle the Outstanding Liabilities as discussed under section headed "2. Reasons for the Rights Issue and the use of proceeds" in this letter;
- (ii) the Subscription Price, being at a discount to the prevailing market prices of the Share should attract the Shareholders to participate in the Rights Issue;
- (iii) taking into account the benefits and costs of each of the alternative fundraising methods, the Rights Issue represents an appropriate means for fundraising to improve the Group's financial position as discussed under the section headed "2. Reasons for the Rights Issue and the use of proceeds" in this letter;
- (iv) the Subscription Price and the commission under the Placing Agreement is fair and reasonable with considering the factors as discussed in the section headed "3. Principal terms of the Rights Issue and the Placing Agreement – Analysis on the Subscription Price" in this letter;
- (v) the dilution effects of the Rights Issue and the commission under the Placing Agreement are reasonable as discussed in the section headed "3. Principal terms of the Rights Issue and the Placing Agreement" in this letter;
- (vi) the Rights Issue is conducted on the basis that all the Qualifying Shareholders have been offered the equal opportunity to maintain their proportionate interests in the Company;

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- (vii) Shareholders who do not accept the Rights Shares provisionally allotted to them could dispose of their nil-paid Rights Shares in open market; and
- (viii) the potential financial effects to the Group upon completion of the Rights Issue as discussed in the section headed “4. Financial effects of the Rights Issue”.

we are of the opinion that (i) the terms of the Rights Issue and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable as far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the relevant resolution(s) on the Rights Issue to be proposed at the EGM.

Yours faithfully,  
For and on behalf of  
**Red Sun Capital Limited**  
**Robert Siu**  
*Managing Director*

*Mr. Robert Siu is a licensed person registered with the SFC and a responsible officer of Red Sun Capital Limited to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and has been active in the field of corporate finance advisory for over 26 years, and has been involved in and completed various corporate finance advisory transactions.*

**A. FINANCIAL INFORMATION OF THE GROUP**

The financial information of the Group for the three years ended 31 March 2023, 2024 and 2025 are disclosed in the annual reports of the Company for the years ended 31 March 2023, 2024 and 2025 and the financial information of the Group for the six months ended 30 September 2025 is disclosed in the interim report of the Company for the six months ended 30 September 2025. The said annual reports and interim report of the Company are published on both the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.madison-group.com.hk](http://www.madison-group.com.hk)):

- annual report of the Company for the year ended 31 March 2023 from pages 129 to 287  
(<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0628/2023062800521.pdf>)
- annual report of the Company for the year ended 31 March 2024 from pages 127 to 279  
(<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0705/2024070500667.pdf>)
- annual report of the Company for the year ended 31 March 2025 from pages 128 to 275  
(<https://www1.hkexnews.hk/listedco/listconews/gem/2025/0704/2025070400769.pdf>)
- interim report of the Company for the six months ended 30 September 2025 from pages 4 to 46  
(<https://www1.hkexnews.hk/listedco/listconews/gem/2025/1204/2025120400544.pdf>)

**B. STATEMENT OF INDEBTEDNESS****Indebtedness statement**

At the close of business on 28 February 2026, being the latest practicable date for the purpose of ascertaining this indebtedness statement prior to the date of this circular, the Group had the following indebtedness:

**Amount due to a shareholder**

As at 28 February 2026, the Group had amount due to a shareholder, Mr. Ting Pang Wan Raymond of approximately HK\$90,861,000, which was unsecured, unguaranteed and non-interest bearing.

**Loan from a non-controlling shareholder**

The Group had a loan from a non-controlling shareholder which was unsecured, guaranteed, and interest-bearing. The aggregate principal amount and interest payables of the loan was approximately HK\$67,157,000 as at 28 February 2026.

**Borrowing**

As at 28 February 2026, the Group had a borrowing with the aggregate principal and interest balance of approximately HK\$15,120,000, which was secured, guaranteed, and interest-bearing.

**Lease liabilities**

As at 28 February 2026, the Group had lease liabilities of approximately HK\$128,000, which were unsecured and unguaranteed.

**Contingent liabilities**

As at 28 February 2026, the Group did not have any contingent liabilities.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, as at 28 February 2026, being the latest practicable date for determining indebtedness, the Group did not have any outstanding mortgages, charges, debentures, debt securities or other loan capital or bank overdrafts or loans or other similar indebtedness or finance lease commitments, liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments or guarantees, nor any authorised or otherwise created but unissued debt securities.

**C. WORKING CAPITAL STATEMENT**

The Directors, after due and careful consideration, are of the opinion that in the absence of unforeseeable circumstances, taking into consideration the estimated net proceeds from the Rights Issue and the financial resources available to the Group including internally generated funds, bank and other facilities, the Group will have sufficient working capital for its operation for at least twelve months from the date of this circular.

The Company has obtained the relevant confirmations as required under Rule 12.26C of the GEM Listing Rules.

**D. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Company since 31 March 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up.

**E. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The Group is principally engaged in (i) the retail sales and wholesales of a wide spectrum of wine products and other alcoholic beverages in Hong Kong with a focus on red wine (the “**Wine Business**”); (ii) the provision of loan financing and consultancy services (the “**Loan Financing Business**”); and (iii) the provision of financial services (the “**Financial Services Business**”).

During the six months ended 30 September 2025, the Group's revenue slightly decreased by approximately 2.6% to approximately HK\$33.5 million (2024: HK\$34.4 million). Such decrease was mainly due to the decrease in revenue generated from the Loan Financing Business by approximately 4.5%, which amounted to approximately HK\$23.6 million (2024: HK\$24.7 million), which was partially offset by the increase in revenue generated from the Wine Business by approximately 2.1%, which amounted to approximately HK\$9.9 million (2024: HK\$9.7 million). The Group's loss for the Period was approximately HK\$6.3 million (2024: HK\$5.3 million), representing an increase in loss of approximately HK\$1.0 million as compared with the corresponding period in last year. The increase in loss was mainly attributable to (i) the increase in net impairment recognised on loan and interest receivables of approximately HK\$4.2 million; (ii) the decrease in other income of approximately HK\$1.3 million; and partially offset by the decrease in staff costs, depreciation, finance costs and administrative and other operating expenses of approximately HK\$4.4 million.

As disclosed in the interim report of the Company for the six months ended 30 September 2025, the Company expects the global economic environment to be challenging and remain uncertain, the Directors will continue to enhance the Group's businesses through reviewing our existing business portfolio and will adopt a prudent approach and make strategic adjustment whenever necessary, so as to remain competitive under the rapidly changing economic environment. The Group remains open to new investors who may bring in strategic collaboration and financial support for business expansion.

**(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED  
NET TANGIBLE LIABILITIES**

The following is an illustrative unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company (the “**Unaudited Pro Forma Financial Information**”) which has been prepared by the directors of the Company in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants to illustrate the effect of the Rights Issue on the consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 September 2025, as if the Rights Issue had taken place on 30 September 2025.

The unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible liabilities of the Group attributable to owners of the Company had the Rights Issue been completed as at 30 September 2025 or at any future dates. It is prepared based on the unaudited consolidated net tangible liabilities attributable to owners of the Company as at 30 September 2025 and adjusted to reflect the effect of the Rights Issue:

Unaudited consolidated net tangible liabilities attributable to the owners of the Company as at 30 September 2025 HK\$'000 (Note 1)	Net proceeds from Rights Issue HK\$'000 (Note 2)	Unaudited pro forma adjusted consolidated net tangible liabilities attributable to the owners of the Company as at 30 September 2025 immediately after the completion of the Rights Issue HK\$'000	Unaudited consolidated net tangible liabilities attributable to the owners of the Company per Share before completion of Rights Issue HK\$ (Note 3)	Unaudited pro forma adjusted consolidated net tangible liabilities attributable to the owners of the Company per Share immediately after completion of Rights Issue HK\$ (Note 4)
Based on 93,469,083 Rights Shares at Subscription price per Rights Share of HK\$0.486	(131,687)	42,790	(88,897)	(2.11)
		(88,897)	(2.11)	(0.57)

*Notes:*

- (1) The unaudited consolidated net tangible liabilities of the Group attributable to the owners of the Company as at 30 September 2025 is extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2025 set out in the published interim report of the Company, which is based on the unaudited consolidated net liabilities of the Group attributable to the owners of the Company as at 30 September 2025 less the intangible assets and goodwill.
- (2) The net proceeds from the Rights issue is estimated to be approximately HK\$42,790,000 based on 93,469,083 Rights Shares (assuming the Right Issue is subscribed in full and no further issue or repurchase of Shares up to and including the Record Date) to be issued at Subscription Price of HK\$0.486 per Rights Share and after deducting all directly attributable transaction costs which is estimated to be approximately HK\$2,640,000.
- (3) The calculation of the unaudited consolidated net tangible liabilities attributable to the owners of the Company per Share is determined based on the unaudited consolidated net tangible liabilities attributable to owners of the Company as at 30 September 2025 divided by the number of Consolidated Shares in issue upon the Share Consolidation having become effective of 62,312,722 Consolidated Shares.
- (4) The number of shares used for calculating the unaudited pro forma adjusted consolidated net tangible liabilities per share attributable to the owners of the Company upon completion of the Rights Issue is based on 155,781,805 Consolidated Shares in issue. This includes the existing 62,312,722 Consolidated Shares in issue as of 30 September 2025, along with an additional 93,469,083 Rights Shares to be issued pursuant to the Rights Issue.
- (5) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible liabilities to reflect any trading or other transactions of the Group entered into subsequent to 30 September 2025.

**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 as at the Latest Practicable Date; (ii) immediately upon the Increase in Authorised Share Capital and Share Consolidation becoming effective (assuming no other change in the number of issued Shares); and (iii) immediately after completion of the Rights Issue (assuming no other change in the number of issued Shares and full acceptance of Rights Shares by all Qualifying Shareholders) are set out as follows:

**(i) As at the Latest Practicable Date**

<i>Authorised share capital:</i>		<i>HK\$</i>
1,000,000,000	Shares of HK\$0.01 each	<u>10,000,000</u>
<i>Issued and fully paid:</i>		<i>HK\$</i>
623,127,227	Shares of HK\$0.01 each	<u>6,231,272.27</u>

**(ii) Immediately upon the Increase in Authorised Share Capital and Share Consolidation becoming effective (assuming no other change in the number of issued Shares)**

<i>Authorised share capital:</i>		<i>HK\$</i>
200,000,000	Shares of HK\$0.10 each	<u>20,000,000</u>
<i>Issued and fully paid:</i>		<i>HK\$</i>
62,312,722	Shares of HK\$0.10 each	<u>6,231,272.20</u>

(iii) **Immediately after completion of the Rights Issue (assuming no other change in the number of issued Shares and full acceptance of Rights Shares by all Qualifying Shareholders)**

<i>Authorised share capital:</i>		<i>HK\$</i>
200,000,000	Shares of HK\$0.10 each	<u>20,000,000</u>
<i>Issued and fully paid:</i>		<i>HK\$</i>
62,312,722	Shares of HK\$0.10 each	6,231,272.20
<u>93,469,083</u>	Rights Shares to be allotted and issued under the Rights Issue	<u>9,346,908.30</u>
<u>155,781,805</u>	Shares in issue immediately upon completion of the Rights Issue	<u>15,578,180.50</u>

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

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

As at the Latest Practicable Date, there are outstanding share options carrying the right to subscribe for 21,650,000 Existing Shares. Save for the above, there are no options, warrants, derivatives or other convertible securities granted by the Company which confer rights to subscribe for, convert or exchange into Existing Shares that are subsisting 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 (as defined under the GEM Listing Rules).

## 3. DISCLOSURE OF INTERESTS

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

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executives of the Company and their associates in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors or chief executive of the Company were deemed or taken to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be recorded in the register therein, or were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

*Interest in Shares*

Name of Director	Nature of interest	Number of Shares interested	Approximate percentage of issued share of capital of the Company (Note 1)
Ji Zuguang	Beneficial owner	100,000 (Note 2)	0.016%
Chu Kin Wang, Peleus	Beneficial owner	30,000 (Note 3)	0.005%
Ip Cho Yin, J.P.	Beneficial owner	130,000 (Note 4)	0.021%

*Notes:*

- (1) The shareholding percentage in the Company is calculated on the basis of 623,127,227 Existing Shares in issue as at the Latest Practicable Date.
- (2) As at the Latest Practicable Date, Mr. Ji Zuguang held 100,000 options of the Company which carries the right to subscribe for 100,000 Existing Shares.
- (3) As at the Latest Practicable Date, Mr. Chu Kin Wang, Peleus held 30,000 options of the Company which carries the right to subscribe for 30,000 Existing Shares.
- (4) As at the Latest Practicable Date, Mr. Ip Cho Yin, J.P. held 130,000 options of the Company which carries the right to subscribe for 130,000 Existing Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

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

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

*Interest in Shares*

<b>Name of Shareholder</b>	<b>Nature of interest</b>	<b>Number of Shares interested</b>	<b>Approximate percentage of issued share of capital of the Company (Note 8)</b>
Royal Spectrum (Notes 1 and 2)	Beneficial owner	195,920,000	31.44%
Devoss Global (Notes 1 and 2)	Interest in controlled corporation	195,920,000	31.44%
CVP Financial (Note 2)	Beneficial owner	50,487,272	8.10%
Highgrade Holding Limited (Note 2)	Beneficial owner	3,527,200	0.57%
Kaiser Capital (Note 2)	Beneficial owner	1,217,200	0.20%

Name of Shareholder	Nature of interest	Number of Shares interested	Approximate percentage of issued share of capital of the Company (Note 8)
Plan Marvel (Note 2)	Beneficial owner	3,328,000	0.53%
Mr. Ting (Note 2)	Interest in controlled corporation	254,479,672	40.84%
	Beneficial owner	10,193,243	1.64%
Ms. Luu Huyen Boi (Note 3)	Interest of spouse	264,672,915	42.47%
Software Research Associates, Inc. (Note 4)	Beneficial owner	40,454,545	6.49%
SRA (Note 4)	Interest in controlled corporation	40,454,545	6.49%
ACGHL (Note 5)	Beneficial owner	54,256,300	8.71%
Ms. Liu Yang (Note 5)	Interest in controlled corporation	54,256,300	8.71%
	Beneficial owner	11,000,200	1.77%
Ample Cheer Limited (“Ample Cheer”) (Note 6)	Interest in controlled corporation	221,323,638	35.52%
Chu Yuet Wah (“Mrs. Chu”) (Note 6)	Interest in controlled corporation	221,323,638	35.52%
Kingston Finance Limited (“Kingston”) (Note 6)	Person having a security interest in shares	221,323,638	35.52%
Comfort Homes and Strategies Limited (“Comfort Homes”) (Note 7)	Beneficial owner	36,580,000	5.87%
Mr. Sun Yuanyuan (“Mr. Sun”) (Note 7)	Interest in controlled corporation	36,580,000	5.87%

*Notes:*

- (1) The entire issued share capital in Royal Spectrum is legally and beneficially owned as to 96.63% by Devoss Global and 3.37% by Mr. Zhu Qin respectively. Devoss Global is deemed to be interested in the Shares held by Royal Spectrum.
- (2) Each of Devoss Global, CVP Financial, Highgrade Holding, Kaiser Capital and Plan Marvel is wholly owned by Mr. Ting. CVP Financial is interested in 50,487,272 Existing Shares, Highgrade Holding is interested in 3,527,200 Existing Shares, Kaiser Capital is interested in 1,217,200 Existing Shares and Plan Marvel is interested in 3,328,000 Existing Shares. Mr. Ting is deemed to be interested in 254,479,672 Existing Shares, representing approximately 40.84% of the issued share capital of the Company held by Devoss Global, CVP Financial, Highgrade Holding, Kaiser Capital and Plan Marvel under Part XV of the SFO.
- (3) Ms. Luu is the spouse of Mr. Ting. Ms. Luu is deemed to be interested in all the Shares and underlying shares in which Mr. Ting is interested in under Part XV of the SFO.
- (4) Software Research Associates, Inc. is directly wholly-owned by SRA. SRA is deemed to be interested in the Shares in which SRA is interested in under Part XV of the SFO.
- (5) The entire issued share capital in Atlantis Investment Management Limited is wholly-owned by Atlantis Capital Group Holdings Limited (“ACGHL”), which in turn is wholly-owned by Ms. Liu Yang. As such, ACGHL and Ms. Liu Yang are both deemed to be interested in 54,256,300 Existing Shares, representing approximately 8.71% of the issued share capital of the Company, held by Atlantis Investment Management Limited under Part XV of the SFO.
- (6) Kingston is a wholly-owned subsidiary of Ample Cheer, which is in turn wholly-owned by Mrs. Chu. As such, Ample Cheer and Mrs. Chu are deemed to be interested in the Shares held by Kingston by virtue of the SFO.
- (7) Based on the notices of disclosure of interest filed by Comfort Homes and Mr. Sun both dated 2 June 2025, Comfort Homes is wholly-owned by Mr. Sun. As such, Comfort Homes and Mr. Sun are both deemed to be interested in 36,580,000 Shares under Part XV of the SFO.
- (8) The shareholding percentage in the Company is calculated on the basis of 623,127,227 Existing Shares in issue as at the Latest Practicable Date.

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

**4. DIRECTORS' INTERESTS IN CONTRACT AND ASSET OR ARRANGEMENT**

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 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.

**5. DIRECTORS' SERVICE CONTRACTS**

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

**6. COMPETING INTERESTS**

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

**7. DIRECTORS' INTERESTS IN ASSETS**

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

**8. DIRECTORS' INTERESTS IN CONTRACT OR ARRANGEMENT OF SIGNIFICANCE**

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

## 9. LITIGATION

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

## 10. MATERIAL CONTRACTS

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

- (i) the sale and purchase agreement dated 28 May 2024 and entered into between the Company, CVP Financial Group Limited and Mr. Ting in relation to disposal of 38% equity interests in Hackett Enterprises Limited;
- (ii) the option agreement (as supplemented and amended by the supplemental third option agreement dated 30 November 2025, the second supplemental third option agreement dated 12 February 2026 and the third supplemental third option agreement dated 30 March 2026) (the “**Third Option Agreement**”) dated 28 November 2025 and entered into by the Company, as issuer, and SRA, as subscriber, in relation to the grant of an option to SRA at a nominal consideration of HK\$1.00, exercisable within the period of five years from the date on which the option is granted, entitling SRA to require the Company to allot and issue up to a maximum of 85,922,330 option shares at the option price of HK\$1.03 per option share subject to the terms and conditions of the Third Option Agreement upon exercising the option;
- (iii) the loan extension agreement dated 28 November 2025 and entered into by, among others, SRA, the Company and Wine Financier Limited, in relation to the extension of the maturity date of a loan in the principal amount of JPY1,400,000,000 owed by Wine Financier Limited to SRA to 30 September 2031; and
- (iv) the Placing Agreement.

## 11. EXPERT AND CONSENTS

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

<b>Name</b>	<b>Qualification</b>
Red Sun Capital Limited	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO,
Prism Hong Kong 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 above experts had any direct or indirect interests in any assets which have been, since 31 March 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to, any member of the Group, or which are proposed to be acquired or disposed of by or leased to, any member of the Group.

## 12. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, placing commission (assuming the Rights Issue is not fully-subscribed and any Unsubscribed Rights Shares are placed by the Placing Agent), printing, registration, translation, legal and accountancy charges are estimated to be up to approximately HK\$2.64 million, which are payable by the Company.

**13. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE**

<b>Board of Directors</b>	<i>Executive Directors</i> Jiang Tian Cheung Yuk Shan, Shirley Su Lei
	<i>Non-executive Directors</i> Ji Zuguang (Chairman) Ip Cho Yin, J.P.
	<i>Independent non-executive Directors</i> Chu Kin Wang, Peleus Lau Reimer, Mary Jean Zhou Li
<b>Audit committee</b>	Chu Kin Wang, Peleus (Chairman) Ip Cho Yin, J.P. Lau Reimer, Mary Jean Zhou Li
<b>Remuneration committee</b>	Zhou Li (Chairman) Ji Zuguang Chu Kin Wang, Peleus Lau Reimer, Mary Jean
<b>Nomination and corporate governance committee</b>	Ji Zuguang (Chairman) Chu Kin Wang, Peleus Ip Cho Yin, J.P. Lau Reimer, Mary Jean Zhou Li
<b>Registered office</b>	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
<b>Head office and principal place of business</b>	Units 26-28 One Island South 2 Heung Yip Road Wong Chuk Hang, Hong Kong
<b>Authorised representatives</b>	Jiang Tian Lee Man Tai

<b>Business address of all Directors and authorised representatives</b>	Units 26-28 One Island South 2 Heung Yip Road Wong Chuk Hang, Hong Kong
<b>Company secretary</b>	Lee Man Tai
<b>Hong Kong branch share registrar and transfer office</b>	<b>Tricor Investor Services Limited</b> 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
<b>Principal banker</b>	<b>The Hongkong and Shanghai Banking Corporation Limited</b> 1 Queen's Road Central Hong Kong  <b>China Construction Bank (Asia) Corporation Limited</b> 26/F, CCB Tower 3 Connaught Road Central Central Hong Kong
<b>Auditor</b>	<b>Prism Hong Kong Limited</b> Units 1903 -1905, 19/F 8 Observatory Road Tsim Sha Tsui, Hong Kong
<b>Legal adviser to the Company as to Hong Kong laws</b>	<b>CLKW Lawyers LLP</b> Rooms 1901A, 1902 & 1902A, 19/F New World Tower I 16-18 Queen's Road Central Central, Hong Kong
<b>Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders</b>	<b>Red Sun Capital Limited</b> Room 2703, 27/F China Insurance Group Building 141 Des Voeux Road Central Hong Kong
<b>Placing Agent</b>	<b>Advent Securities (Hong Kong) Limited</b> Unit A-C, 11/F Kee Shing Centre 74-76 Kimberley Road Kowloon, Hong Kong

**14. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT****Executive Directors**

**Mr. Jiang Tian (“Mr. Jiang”)**, aged 50, was appointed as the executive Director of the Company on 12 August 2024. He currently is the vice president of the Group’s loan financing and consulting services business and is mainly responsible for strategic development. He also holds directorships in several subsidiaries of the Group. Mr. Jiang has served as a senior official for more than 20 years in several companies in Chongqing, Shanghai and Hong Kong, focusing on projects relating to new business development and management. He has extensive experience in areas such as asset acquisition and restructuring. Mr. Jiang graduated from the Beijing University of Aeronautics and Astronautics in June 2003 and obtained a Master Degree in International Trade.

**Dr. Cheung Yuk Shan, Shirley (“Dr. Cheung”)**, aged 50, was appointed as the executive Director of the Company on 22 December 2023. She was the chairlady and executive director from May 2002 to September 2017, and the non-executive director and honorary chairlady from September 2017 to July 2018 of SAU SAN TONG HOLDINGS LIMITED (stock code: 08200), whose shares are listed on GEM of the Stock Exchange. In 2004, she was awarded as one of the “100 Outstanding Women Entrepreneurs in China” by the Women Enterprises’ Association of China. In 2006, Dr. Cheung was awarded as one of the “World Outstanding Chinese” by the World China Business Investment Foundation. Dr. Cheung founded the Shirley Cheung Charity Foundation in 2012, which is granted as an approved charitable organization, and served as the chairlady to lead the foundation to participate in social welfare services and fulfill social responsibilities. Dr. Cheung is currently the honorary advisor of the Against Elderly Abuse of Hong Kong, the vice chairman of the Shanghai Soong Ching Ling Foundation Maternal and Infant Safety Fund, and the chairman of the Food for Good Community Kitchens, to spare no effort in improving the lives of various recipients such as the elderly and children. Dr. Cheung has served as a mentor of the Business-School Partnership Program of the Young Entrepreneur Development Council for many times, and a committee member of the Employer Advisory Committee of the Hong Kong College of Technology, allowing young people to understand the industry environment and provide professional industry advice. Dr. Cheung holds an Honorary Doctorate degree from Armstrong University, U.S.A. and an Executive Master degree of Business Administration from Peking University.

**Mr. Su Lei (“Mr. Su”)**, aged 41, has approximately 20 years of work experience. Mr. Su currently serves as the director of Beijing Woxing Culture Development Limited (北京我行文化發展有限公司), where he is responsible for implementing various private equity investment projects in the entertainment industry. Mr. Su served as a marketing director at Co-High Investment Management Limited. From February 2024 to February 2025, Mr. Su also served as the chairman, an executive director and the chairman of the nomination committee of China Bright Culture Group, the shares of which were listed on Main Board of the Stock Exchange and the listing of its shares had been cancelled with effect from 4 February 2025 (stock code prior to delisting: 1859). From December 2013 to August 2017, Mr. Su served as a senior staff (主任科員) in the human resource department of Chengdu Municipal Housing and Urban-Rural Development Bureau (成都市城鄉房產管理局人事處). From July 2006 to December 2013, Mr. Su served in Unit 91024 of Chinese People’s Liberation Army (中國人民解放軍91024部隊). Mr. Su obtained a bachelor’s degree in public health management from the Air Force Medical University (中國人民解放軍空軍軍醫大學) in July 2006 and a master’s degree in business administration from Hong Kong Metropolitan University in April 2020.

#### **Non-executive Directors**

**Mr. Ji Zuguang (“Mr. Ji”)**, aged 69, was appointed as a non-executive Director and chairman of the Company on 3 October 2019 and 31 July 2020 respectively. He holds directorships in various subsidiaries of the Group, among which Mr. Ji has been a director of Starlight Financial Holdings Limited (“**Starlight**”) since August 2012, which is an indirect non wholly-owned subsidiary of the Company since March 2019. From 1992 to 2000, he served as secretary and engineer of the Shanghai Postal, Telephone and Communication Bureau (上海市郵電管理局) respectively. Since 2000, Mr. Ji served as the Deputy General Manager of LT International Holdings Ltd. (峻嶺國際集團有限公司) where he was mainly responsible for the overall operation of property development projects and well experienced in the property development industry. In 2003, he participated in the establishment of Shanghai Yintong and has since gained around 9 years of experience in the secured financing industry. Mr. Ji graduated from the Party School of the Central Committee of C.P.C (中共中央黨校) in 1992 majoring in Economic Management. In 2006, Mr. Ji received his master’s degree in Advanced Business Management from the Nanyang Technological University of Singapore.

**Mr. Ip Cho Yin, J.P. (“Mr. Ip”),** aged 75, was appointed as an independent non-executive Director and a member of each of the audit committee (the “**Audit Committee**”), the nomination and corporate governance committee (the “**Nomination and Corporate Governance Committee**”) and the remuneration committee (the “**Remuneration Committee**”) of the Company on 1 February 2017. He was subsequently redesignated as a non-executive Director and resigned as a member of the Remuneration Committee on 7 March 2019. Mr. Ip possesses extensive experience in education. He is a registered teacher, an educational consultant and a teacher development expert. He is also a guest speaker of universities and educational bodies in Hong Kong. Currently, Mr. Ip is a consultant at the Centre for Education Research and Development of the Hong Kong Policy Research Institute. He was the Guest Professor of Hong Kong Financial Services Institute from 2014 to 2020, the Project Coordinator of the Education Bureau of the Government of the Hong Kong Special Administrative Region (the “**Education Bureau**”) from 2010 to September 2022. He was the Deputy Project Director of the Education Bureau from 2004 to 2010 and the Chief School Development Officer of the Education Bureau from 2002 to 2004. Mr. Ip was a teacher of Pui Kiu Middle School from 1973 to 1997 and became the principal from 1997 to 2002. Mr. Ip was a member of Appeals Board (Education) from 2000 to 2001, a member of Board of Education from 1998 to 2002, an elected member of Council on Professional Conduct in Education from 1998 to 2002, a member of Quality Education Fund Steering Committee from 1997 to 2001, a Standing Committee member of the Hong Kong Federation of Education Workers from 1993 to 1999. Mr. Ip was an elected member of District Board (Islands) from 1994 to 1999. Mr. Ip obtained his bachelor’s degree in mathematics at University of Waterloo in Canada in 1972 and a diploma in education at the School of Education of The Chinese University of Hong Kong in 1982.

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

**Mr. Chu Kin Wang, Peleus (“Mr. Chu”),** aged 61, was appointed as an independent non-executive Director on 21 September 2015 and is also the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination and Corporate Governance Committee. From December 2008 to September 2020, he was the executive director of Chinese People Holdings Company Limited (stock code: 00681), whose shares are listed on the Main Board of the Stock Exchange. From August 2021 to March 2022, and from February 2025 to December 2025, Mr. Chu has served as an executive director of Momentum Financial Holdings Limited (stock code: 01152), whose shares are listed on the Main Board of the Stock Exchange. Mr. Chu has been an independent non-executive director of Hyfusin Group Holdings Limited (stock code: 8512) since December 2021, Mingfa Group (International) Company Limited (stock code: 846) since November 2016, China First Capital Group Limited (stock code: 1269) since October 2011, Huayu Expressway Group Ltd. (stock code: 1823) since May 2009 and Tianli Holdings Group Limited (stock code: 117) since April 2007. From September 2023 to April 2024, Mr. Chu served as an independent non-executive director of Silk Road Logistics Holdings Limited (stock code before delisting: 988). Mr. Chu graduated from the University of Hong Kong with a master’s degree in business administration in December 1998. Mr. Chu is a fellow member of HKICPA, an associate member of the Hong Kong Chartered Governance Institute and the Chartered Governance Institute.

**Dr. Lau Reimer, Mary Jean (“Dr. Lau”)**, aged 61, was appointed as an independent non-executive Director on 4 June 2019 and is also a member of each of the Audit Committee, Remuneration Committee and the Nomination and Corporate Governance Committee. Dr. Lau has been a solicitor of Cheung & Co., Solicitors since July 2017. She was a partner of Reimer & Partners from May 2004 to June 2014. Dr. Lau is admitted as a solicitor in Hong Kong and England and Wales and has over 20 years of post-qualification legal experience. Dr. Lau obtained her master of laws from the University of Hong Kong in 2001 and her doctorate degree in civil and commercial law from the China University of Political Science and Law in 2006. Dr. Lau is a manager of Kam Tsin Village Ho Tung School and Hotung Secondary School, and a legal adviser to several organisations and associations.

**Mr. Zhou Li (“Mr. Zhou”)**, aged 60, was appointed as an independent non-executive Director on 9 August 2022 and is also the chairman of the Remuneration Committee and a member of each of the Nomination and Corporate Governance Committee and the Audit Committee. He obtained a Bachelor of Science in Computer Science from Zhejiang University in 1986 and a Master of Science from Michigan State University in Computer Science in 1991. From 1991 to 2000, Mr. Zhou worked at Microsoft Corporation as a software engineer and subsequently as a technical director. Since 2000, Mr. Zhou became an entrepreneur and started several information technology and internet companies in the PRC. During the period from 2009 to 2014, Mr. Zhou had also served as the chief executive officer of Shanghai Wicresoft Co. Ltd., a company established in the PRC that principally engaged in the provision of software development and network integration services with over 5,000 software engineers. After leaving Shanghai Wicresoft Co. Ltd. in 2014, Mr. Zhou became heavily involved in investment and mergers and acquisition activities, mostly related to new technologies.

### **Senior management**

**Mr. Cho Yin (“Mr. Cho”)** joined as the financial controller of a subsidiary of the Group, Madison (China) Limited in January 2022. He is principally responsible for financial and accounting matters of the Group. Mr. Cho is a member of the HKICPA.

## **15. AUDIT COMMITTEE**

As at the Latest Practicable Date, the audit committee of the Company (the “**Audit Committee**”) comprised all of the independent non-executive Directors, namely Mr. Chu Kin Wang, Peleus (the chairman of the Audit Committee), Mr. Ip Cho Yin, J.P., Ms. Lau Reimer, Mary Jean and Mr. Zhou Li. The background, directorship and past directorship (if any) of each of the members of the Audit Committee are set out in the section headed “14. Particulars of the Directors and senior management” in this appendix. The primary duties of the Audit Committee include, among other things, reviewing and supervising the financial reporting process and internal control systems, as well as the overall risk management of the Group, reviewing the consolidated financial statements and the interim and annual reports of the Group, reviewing the terms of engagement and scope of audit work of the external auditor, and performing the corporate governance function.

**16. DOCUMENTS ON DISPLAY**

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

- (a) the letter from the Board, the text of which is set out on pages 13 to 43 of this circular;
- (b) the letter of recommendation from the Independent Board Committee, the text of which is set out on pages 44 to 45 of this circular;
- (c) the letter of advice from the Independent Financial Adviser, the text of which is set out on pages IFA-1 to IFA-25 of this circular;
- (d) the accountant's report on the unaudited pro forma financial information of the Group issued by Prism Hong Kong Limited, the text of which is set out in Appendix II to this circular;
- (e) the material contracts referred to in the paragraph headed "10. Material contracts" of this appendix;
- (f) the written consents referred to in paragraph headed "11. Experts and consents" of this appendix; and
- (g) this circular.

**17. MISCELLANEOUS**

- (a) As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (b) As at the Latest Practicable Date, there was no contract for the hire or hire purchase of plant to or by any member of the Group for a period of over one year which are substantial in relation to the Group's business.
- (c) As at the Latest Practicable Date, the Group had no exposure to foreign exchange liabilities.
- (d) In the event of any inconsistency, the English texts of this circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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# MADISON

GROUP

## Madison Holdings Group Limited 麥迪森控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 08057)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of Madison Holdings Group Limited (the “**Company**”) will be held on at 10:00 a.m. on Thursday, 14 May 2026 at Units 801-802, 8/F, One Island South, 2 Heung Yip Road, Wong Chuk Hang, Hong Kong for considering and, if thought fit, passing, with or without amendments, the following resolutions of the Company:

### ORDINARY RESOLUTIONS

1. “**THAT**,
  - (a) the authorised share capital of the Company be increased from HK\$10,000,000 divided into 1,000,000,000 shares with a par value of HK\$0.01 each to HK\$20,000,000 divided into 2,000,000,000 shares with a par value of HK\$0.01 each by creating an additional 1,000,000,000 unissued shares with a par value of HK\$0.01 each (the “**Increase in Authorised Share Capital**”); and
  - (b) any directors of the Company (the “**Director(s)**”) be and are hereby authorised to do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Increase in Authorised Share Capital.”
2. “**THAT** subject to and conditional upon, among other things, the Increase in Authorised Share Capital having become effective and the GEM Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing of, and permission to deal in, the Consolidated Shares (as defined below) in issue and to be issued upon the Share Consolidation (as defined below) becoming effective, with effect from the second business day immediately following the day of passing of this resolution, being a day on which the shares of the Company are traded on the Stock Exchange:
  - (a) every ten (10) issued and unissued ordinary shares of HK\$0.01 each in the share capital of the Company be consolidated into one (1) ordinary share of HK\$0.10 each (the “**Consolidated Share(s)**”), and such Consolidated Share(s) shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions contained in the articles of association of the Company (the

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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“**Share Consolidation**”), such that following the Share Consolidation, the authorised share capital of the Company of HK\$20,000,000 divided into 2,000,000,000 ordinary shares of par value of HK\$0.01 each will become HK\$20,000,000 divided into 200,000,000 ordinary shares with par value of HK\$0.10 each;

- (b) all fractional Consolidated Shares resulting from the Share Consolidation will be disregarded and will not be issued to holders of the same but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company in such manner and on such terms as the Directors may think fit; and
  - (c) any Directors be and are hereby authorised to do all such acts, deeds and things and to effect all necessary actions as they may consider necessary or desirable in order to effect, implement and complete any and all of the foregoing.”
3. “**THAT** subject to the conditions set out in the letter from the board under the heading “Conditions of the Rights Issue” in the circular of the Company dated 23 April 2026 (the “**Circular**”):
- (a) the allotment and issue of 93,469,083 new Consolidated Shares (assuming no change in the number of Shares in issue on or before the Record Date (as defined below) and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue) (the “**Rights Shares**”) pursuant to an offer by way of rights to the shareholders of the Company (the “**Shareholders**”) at the subscription price of HK\$0.486 per Rights Share (the “**Subscription Price**”) on the basis of three (3) Rights Shares for every two (2) Consolidated Shares held by the Shareholders (the “**Qualifying Shareholders**”) whose names appear on the register of members of the Company on Thursday, 28 May 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 the Circular (a copy of which has been produced to the EGM marked “A” and signed by the chairman of the EGM for the purpose of identification), save for the Shareholders whose addresses as of the Record Date are outside of Hong Kong (if any) to whom the Directors, based on the results of the enquiries made by the Company from such legal adviser(s) in the relevant jurisdiction(s) in respect of applicable local laws and regulations, consider it necessary or expedient not to offer the Rights Shares on account either of the legal restrictions under the laws of the relevant place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s) (the “**Non-Qualifying 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;

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (b) the placing agreement dated 5 March 2026 (the “**Placing Agreement**”) and entered into between the Company and Advent Securities (Hong Kong) Limited (the “**Placing Agent**”) (a copy of which has been produced to the EGM marked “B” and signed by the chairman of the EGM for the purpose of identification) (as amended and supplemented by the supplemental placing agreement dated 15 April 2026 and entered into between the Company and the Placing Agent) (a copy of which has been produced to the EGM marked “C” and signed by the chairman of the EGM for the purpose of identification), in relation to the placing of the Rights Shares not subscribed by the Qualifying Shareholders and/or the Rights Share(s) which would otherwise has/have been provisionally allotted to the Non-Qualifying Shareholder(s) in nil-paid form that has/have not been sold by the Company at the placing price of not less than the Subscription Price on a best effort basis, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (c) the board of Directors or a committee thereof be and is hereby authorised to allot and issue the Rights Shares pursuant to or in connection with the Rights Issue notwithstanding that the same may be offered, allotted or issued otherwise than pro rata to the existing Shareholders and, in particular, the Directors may make such exclusions or other arrangements in relation to any Non-Qualifying 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 Directors be and are hereby authorised to do all such acts, deeds and things, to sign and execute all such further documents or deeds and to take such steps as he/they may in his/their absolute discretion consider necessary, appropriate, desirable or expedient to carry out or to give effect to or in connection with the Rights Issue, the Placing Agreement and the transactions contemplated thereunder.”

### SPECIAL RESOLUTION

- 4. “**THAT** subject to and conditional on the Increase in Authorised Share Capital and the Share Consolidation becoming effective, the amended and restated memorandum of association and articles of association of the Company be amended in the manner as set out in the Circular and the amended and restated memorandum of association and articles of association of the Company in the form of the document marked “D” and produced to the EGM and for the purpose of identification initialled by the chairman of the EGM, which consolidates all the proposed amendments mentioned in the Circular, be approved and adopted as the amended and restated memorandum of association and articles of association of the Company in substitution for and to the exclusion of the existing amended and restated memorandum of

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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association and articles of association of the Company with effect upon the Increase in Authorised Share Capital and the Share Consolidation becoming effective and that any Director or the company secretary of the Company be and is hereby authorised to do all things necessary to implement the adoption of the amended and restated memorandum of association and articles of association of the Company.”

By order of the Board  
**Madison Holdings Group Limited**  
**Ji Zuguang**  
*Chairman and non-executive Director*

Hong Kong, 23 April 2026

*Notes:*

1. Any member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the Meeting. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
3. To be valid, the instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours (i.e. 10:00 a.m. on Tuesday, 12 May 2026) before the time appointed for holding the Meeting or any adjournment thereof.
4. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned meeting in cases where the Meeting was originally held within 12 months from such date.
5. Where there are joint holders of any shares, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members of the Company in respect of the joint holding.
6. Completion and delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the Meeting if the member so desire and in such event, the instrument appointing a proxy should be deemed to be revoked.
7. For the purpose of determining shareholders' entitlements to attend and vote at the Meeting, the transfer books and the register of members of the Company will be closed from Friday, 8 May 2026 to Thursday, 14 May 2026 (both days inclusive), during which period no transfer of shares will be effected. The record date for determining the entitlement of the shareholders of the Company to attend and vote at the Meeting will be Thursday, 14 May 2026. In order to establish the right to attend and vote at the Meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Thursday, 7 May 2026.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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8. If tropical cyclone warning signal no. 8 or above is hoisted or a black rainstorm warning signal is in force at or after 7:00 a.m. on Thursday, 14 May 2026, the Meeting will be postponed and further announcement for details of alternative meeting arrangements will be made. The Meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the Meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.

*As at the date of this notice, the executive Directors are Mr. Jiang Tian, Dr. Cheung Yuk Shan, Shirley and Mr. Su Lei; the non-executive Directors are Mr. Ji Zuguang and Mr. Ip Cho Yin J.P.; and the independent non-executive Directors are Mr. Chu Kin Wang, Peleus, Dr. Lau Reimer, Mary Jean and Mr. Zhou Li.*

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

*This notice will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of its publication and on the website of the Company at [www.madison-group.com.hk](http://www.madison-group.com.hk).*