
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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

Guoen Holdings Limited

國恩控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8121)

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

Placing Agent



Yuet Sheung International Securities Limited

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

FRONTPAGE 富比

A letter from the Board is set out on pages 11 to 37 of this circular and a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 38 to 39 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 40 to 74 of this circular.

It should be noted that the Shares will be dealt in on an ex-rights basis from Monday, 17 August 2026. Dealings in the Rights Shares in nil-paid form are expected to take place from Friday, 28 August 2026 to Friday, 4 September 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 Friday, 28 August 2026 to Friday, 4 September 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 Unit 1201 & 16, 12/F, Two Harbour Square, No. 180 Wai Yip Street, Kwun Tong, Hong Kong on Thursday, 13 August 2026 at 11:00 a.m. is set out on pages EGM-1 to EGM-4 of this circular. Whether or not you are able to attend the extraordinary general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours (i.e. 11:00 a.m. on Tuesday, 11 August 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. There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue. In the event that the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders or holders of nil-paid Rights Shares together with the ES Unsold Rights Shares will be placed to independent places on a best effort basis under the Compensatory Arrangements. Any Unsubscribed Rights Shares and ES Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

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

24 July 2026

CHARACTERISTICS OF GEM

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

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

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DEFINITIONS

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

“Acceptance Date”	the date upon which an offer for an Option must be accepted by the relevant Eligible Participant, being a date not later than 30 days after the Offer Date
“Announcement”	the announcement of the Company dated 10 July 2026 in relation to, among other things, the Rights Issue
“associate(s)” or “close associate(s)”	has the meaning as defined in the GEM Listing Rules
“Auditors”	means the auditors for the time being of the Company
“Board”	the board of Directors
“Business Day”	a day (excluding Saturdays, Sundays and public holidays) on which licensed banks in Hong Kong are open for general business
“Cayman Companies Act”	the Companies Act (2026 Revision) of the Cayman Islands as amended, supplemented or otherwise modified from time to time
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Guoen Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM of the Stock Exchange (Stock Code: 8121)
“Compensatory Arrangements”	the compensatory arrangements pursuant to Rule 10.31(1)(b) of the GEM Listing Rules as described in the section headed “Procedures in respect of the Unsubscribed Rights Shares and ES Unsold Rights Shares and the Compensatory Arrangements” in this circular
“connected person(s)”	has the meaning as defined in the GEM Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“core connected person(s)”	has the meaning as defined in the GEM Listing Rules

DEFINITIONS

“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Unit 1201 & 16, 12/F, Two Harbour Square, No. 180 Wai Yip Street, Kwun Tong, Hong Kong on Thursday, 13 August 2026 at 11:00 a.m. to consider and, if thought fit, to approve the resolutions contained in the notice of the extraordinary general meeting which is set out on pages EGM-1 to EGM-4 of this circular, or any adjournment thereof
“ES Unsold Rights Share(s)”	the Rights Share(s) which would otherwise have been provisionally allotted to the Excluded Shareholders (if any) in nil-paid form and which has/have not been sold by the Company
“Excluded Shareholder(s)”	those Overseas Shareholder(s) to whom the Directors, after making enquiries, consider it necessary or expedient not to offer the Rights Shares on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“GEM”	the GEM of the Stock Exchange
“GEM Listing Committee”	has the same meaning ascribed to it under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Grantee”	any Eligible Participant who accepts the offer of the grant of an Option
“Group”	the Company and its subsidiaries, and “members of the Group” shall mean the Company and/or any of its subsidiary(ies)
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, which has been established to make recommendations to the Independent Shareholders in respect of the terms of the Rights Issue
“Independent Financial Adviser”	Frontpage Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue
“Independent Shareholder(s)”	any Shareholder(s) who are not required to abstain from voting at the EGM under the GEM Listing Rules
“Last Trading Day”	10 July 2026, being the last trading day of the Shares on the Stock Exchange immediately prior to the release of the Announcement
“Latest Practicable Date”	22 July 2026, being the latest practicable date for ascertaining certain information contained in this circular
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 9 September 2026, being the latest time for acceptance of the offer of and payment for the Rights Shares
“Net Gain”	the aggregate of any premiums (being the aggregate amount paid by the placees after deducting the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares and ES Unsold Rights Shares placed by the Placing Agent and/or its sub-placing agent(s) under the Placing Agreement) under the Compensatory Arrangements
“No Action Shareholder”	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed, and/or the Excluded Shareholders (if any)

DEFINITIONS

“Optionholder’s Undertaking(s)”	the undertaking(s) by the holders of the Share Options, whereby each of the relevant holders of the Share Option irrevocably undertakes, represents and warrants to the Company that he/she/it will not exercise such Share Options held by him/her/it for the period from the date of such undertaking up to and including the close of business of the Record Date
“Overseas Shareholders”	Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares on a best effort basis by the Placing Agent and/or its sub-placing agent(s) to independent placee(s), who and whose ultimate beneficial owners shall not be the Shareholder(s) and shall be Independent Third Party(ies), during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Yuet Sheung International Securities Limited, a licensed corporation to carry out business in Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 10 July 2026 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing End Date”	6:00 p.m. on Friday, 18 September 2026 or such later date as the Company may announce
“Placing Long Stop Date”	4:10 p.m. on Monday, 21 September 2026 or such later date as the Company may announce
“Placing Period”	the period commencing from Monday, 14 September 2026 and ending at 6:00 p.m. on Friday, 18 September 2026

DEFINITIONS

“PRC”	the People’s Republic of China, and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	the prospectus to be issued by the Company to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus and PAL
“Prospectus Posting Date”	Wednesday, 26 August 2026 or such other date as may be determined by the Company, being the date on which the Prospectus Documents are made available to the Qualifying Shareholders and the Prospectus for information only to the Excluded Shareholders
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Excluded Shareholder(s)
“Record Date”	Tuesday, 25 August 2026 or such other date as may be determined by the Company, being the date for determining entitlements of the Shareholders to participate in the Rights Issue
“Registrar”	Tricor Investor Services Limited, the Company’s Hong Kong branch share registrar and transfer office
“Related Entity Participant(s)”	director(s) and employee(s) of the holding companies, fellow subsidiaries or associated companies of the Company
“Rights Issue”	the proposed issue by way of rights on the basis of four (4) Rights Shares for every one (1) Share held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Prospectus Documents
“Rights Share(s)”	up to 120,032,000 Shares (assuming no change in the number of Existing Shares in issue on or before the Record Date) to be allotted and issued pursuant to the Rights Issue
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“Share Option(s)”	the total of 3,000,000 outstanding share options granted under the Share Option Scheme entitling the holders thereof to subscribe for 3,000,000 new Shares
“Share Option Scheme”	the share option scheme adopted by the Company on 19 January 2026
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder’s Loans”	interest-free, unsecured and unguaranteed loans provided by Mr. Yin Di to the Company in an aggregate amount of HK\$8.3 million
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.36 per Rights Share
“substantial shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Unsubscribed Rights Shares”	the Rights Shares that are not subscribed by the Qualifying Shareholders or holders of nil-paid rights
“%”	per cent.

EXPECTED TIMETABLE

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

Events	Time and date
Latest date and time for lodging transfer documents in order for the transferees to qualify for attending and voting at EGM	4:30 p.m. on Friday, 7 August 2026
Closure of register of members for determining the entitlement to attend and vote at the EGM (both dates inclusive)	Monday, 10 August 2026 to Thursday, 13 August 2026
Latest date and time for lodging the proxy form for the EGM	11:00 a.m. on Tuesday, 11 August 2026
Record date for determining entitlements to attend and vote at the EGM	Thursday, 13 August 2026
Expected date and time of the EGM to approve the Rights Issue	11:00 a.m. on Thursday, 13 August 2026
Publication of announcement of poll results of the EGM	Thursday, 13 August 2026
Re-opening of the register of members of the Company	Friday, 14 August 2026
The following events are conditional upon the results of the EGM and therefore the dates are tentative only.	
Last day of dealings in the Shares on a cum-rights basis	Friday, 14 August 2026
First day of dealings in the Shares on an ex-rights basis relating to the Rights Issue	Monday, 17 August 2026

EXPECTED TIMETABLE

Events	Time and date
Latest date and time for lodging transfer documents of the Shares in order for the transferees to qualify for the Rights Issue	4:30 p.m. on Tuesday, 18 August 2026
Closure of register of members to determine the entitlements to the Rights Issue (both dates inclusive)	Wednesday, 19 August 2026 to Tuesday, 25 August 2026
Record Date for determining entitlements for the Rights Issue	Tuesday, 25 August 2026
Re-opening of the register of members of the Company	Wednesday, 26 August 2026
Expected date of despatch of Prospectus Documents to the Qualifying Shareholders (in the case of the Excluded Shareholders, the Prospectus only)	Wednesday, 26 August 2026
First day of dealings in nil-paid Rights Shares	Friday, 28 August 2026
Latest time for splitting the PALs	4:30 p.m. on Tuesday, 1 September 2026
Last day of dealings in nil-paid Rights Shares	Friday, 4 September 2026
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Wednesday, 9 September 2026
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the payment of the Net Gain	4:00 p.m. on Wednesday, 9 September 2026
Announcement of the number of the Unsubscribed Rights Shares and ES Unsold Rights Shares subject to the Placing	Friday, 11 September 2026
Commencement of the Placing Period (if there are any Unsubscribed Rights Shares and ES Unsold Rights Shares available)	Monday, 14 September 2026

EXPECTED TIMETABLE

Events	Time and date
Latest time for placing of Unsubscribed Rights Shares and ES Unsold Rights Shares (if any)	6:00 p.m. on Friday, 18 September 2026
Latest time for the Rights Issue and the Placing to become unconditional	4:10 p.m. on Monday, 21 September 2026
Rights Issue Settlement Date and Placing completion date	Thursday, 24 September 2026
Announcement of the results of the Rights Issue (including the results of the Placing and the Net Gain).	Friday, 25 September 2026
Despatch of share certificates of fully-paid Rights Shares or refund cheques, if any (if the Rights Issue is terminated)	Monday, 28 September 2026
First day of dealings in fully-paid Rights Shares commence	Tuesday, 29 September 2026
Payment of Net Gain to relevant No Action Shareholders (if any) or Excluded Shareholders (if any)	Friday, 9 October 2026

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

EXPECTED TIMETABLE

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

The latest time for acceptance of and payment for the Rights Shares will not be extended if a tropical cyclone warning signal no. 8 or above, or “extreme conditions” or a “black” rainstorm warning is:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 9 September 2026. Instead, the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day;
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 9 September 2026. Instead, the latest time for acceptance of and payment for the Rights Shares will be extended to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on Wednesday, 9 September 2026, the dates mentioned in the expected timetable may be affected. The Company will notify Shareholders by way of announcement on any change to the expected timetable as soon as practicable.

LETTER FROM THE BOARD

Guoen Holdings Limited

國恩控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8121)

Executive Directors:

Mr. Yin Di (*Chairman and Chief Executive Officer*)

Ms. Wan Wai Ting

Mr. Liu Liping

Mr. Wang Lei

Registered office:

Windward 3

Regatta Office Park

P.O. Box 1350

Grand Cayman KY1-1108

Cayman Islands

Non-executive Director:

Mr. Ng Chi Fung

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

Unit 1201 & 16, 12/F

Two Harbour Square

No. 180 Wai Yip Street

Kwun Tong, Hong Kong

Independent non-executive Directors:

Mr. Bian Wencheng

Ms. Fu Hongzhi

Mr. Wen Zefeng

24 July 2026

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the Rights Issue.

The purpose of this circular is to provide you with, among other things, (i) further details of the Rights Issue, the Placing Agreement and the 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

LETTER FROM THE BOARD

Rights Issue; (iv) other information required under the GEM Listing Rules; and (v) a notice convening the EGM.

PROPOSED RIGHTS ISSUE

The Company proposes to conduct the Rights Issue on the basis of four (4) Rights Shares for every one (1) existing Share held on the Record Date at the Subscription Price of HK\$0.36 per Rights Share, to raise up to approximately HK\$43.2 million before expenses by way of issuing up to 120,032,000 Rights Shares (assuming no change in the number of issued Shares on or before the Record Date). Set out below are the details of the Rights Issue:

Rights Issue Statistics

Basis of the Rights Issue:	Four (4) Rights Shares for every one (1) Share held at the close of business on the Record Date
Subscription Price:	HK\$0.36 per Rights Share
Number of Existing Shares in issue as at the Latest Practicable Date:	30,008,000 Shares
Number of Rights Shares:	Assuming no change in the number of issued Shares on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, up to 120,032,000 Rights Shares will be issued pursuant to the terms of the proposed Rights Issue, representing (i) 400% of the issued share capital of the Company as at the date of this circular; and (ii) 80% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.
Aggregated nominal value of the Rights Shares:	Up to HK\$1,200,320 (assuming no change in the number of Shares in issue on or before the Record Date)
Number of Shares in issue as enlarged by the allotment and issue of the Rights Shares:	Up to 150,040,000 Shares (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Gross proceeds from the Rights Issue:	Up to approximately HK\$43.2 million

LETTER FROM THE BOARD

Net proceeds from the Rights Issue:	Up to approximately HK\$40.4 million
Net price (i.e. Subscription Price less cost and expenses incurred in the Rights Issue):	Approximately HK\$0.337 per Rights Share (assuming full subscription under the Rights Issue and no change in the number of Shares)
Rights of excess application and underwriter:	There will be no excess application arrangements in relation to the Rights Issue and the Rights Issue is not underwritten.
Compensatory Arrangements:	Any Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements. Any of the Rights Shares which remain unsold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

The Optionholders' Undertakings

As at the date of this circular, there are 3,000,000 outstanding Share Options granted under the Share Option Scheme entitling the holders thereof to subscribe for a total of 3,000,000 Shares under the Share Option Scheme. On 10 July 2026, each of the holders of the Share Options executed the Optionholders' Undertakings pursuant to which each of the holders of the Share Options has irrevocably undertaken in favour of the Company from the date of the Optionholders' Undertakings up to and including the close of business of the Record Date not to exercise the Share Options (or any part thereof) granted to him/her.

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

Non-underwritten basis

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

LETTER FROM THE BOARD

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 (a) 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; and (b) does not result in the non-compliance with the public float requirement under Rule 17.37B of the GEM Listing Rules.

Subscription Price

The Subscription Price is HK\$0.36 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 30.77% to the closing price of HK\$0.52 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 24.21% to the closing price of HK\$0.475 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 27.27% to the average of the closing prices of approximately HK\$0.495 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 27.78% to the average of the closing prices of approximately HK\$0.4985 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 6.01% to the theoretical ex-rights price of approximately HK\$0.383 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.475 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 22.40% to the existing Shareholders if they elect not to participate in the Rights Issue, which is calculated based on the theoretical ex-rights price of approximately HK\$0.388 per Share and the benchmarked price of approximately HK\$0.50 per Share (as defined under Rule 10.44A of the GEM

LETTER FROM THE BOARD

Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.475 per Share and the average of the closing prices of the Existing Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of approximately HK\$0.50 per Share); and

- (vii) a discount of approximately 72.52% to the consolidated net asset value per Share of approximately HK\$1.31 (based on the latest published consolidated net asset value of the Company of HK\$39,210,000 as at 31 March 2026 and 30,008,000 Shares in issue as at the Latest Practicable Date).

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

In determining the Subscription Price, the Company has reviewed the closing price of the Shares for the six-month period up to and including the Last Trading Day (the “**Reference Period**”), which the Company considered representative to reflect the prevailing market prices of the Shares. The closing price of the Shares throughout the Reference Period had been experiencing a fluctuating downward trend gradually from the highest price of HK\$0.93 per Share on 2 February 2026 to the lowest price of HK\$0.475 per Share on the Last Trading Day. In addition, the trading volume of the Shares during the Reference Period was considered thin, the average daily trading volume during the Reference Period amounted to approximately 0.38% to the total number of existing issued Shares. Based on the above observation, the Company considers it is necessary to set of Subscription Price at an attractive discount to the prevailing closing prices and the benchmarked price of the Shares under GEM Rule 10.44A aiming at lowering the further investment cost of the Shareholders so as to encourage them to participate in the Rights Issue so as to meet the Company’s fund-raising needs.

Additionally, while the Directors noted that the Subscription Price represents a discount of approximately 72.52% to the consolidated net asset value per Share attributable to owners of the Company as at 31 March 2026, the prices of the Shares had been consistently traded at a substantial discount to the then available consolidated net assets attributable to owners of the Company per Share over the past one year immediately preceding the Last Trading Day. ranged from a discount of approximately 23.1% to 67.4%. The Directors consider that net asset value per Share is not a meaningful benchmark to assess the Subscription Price, instead, the prevailing market price of the Shares would be a more appropriate reference in determining the Subscription Price in this regard.

In light of the above, in particular, an attractive discount is necessary to encourage existing Shareholders to participate in the Rights Issue in view of the continuing downward trend on the prices of the Shares and the thin trading volume throughout the Reference

LETTER FROM THE BOARD

Period, the Directors consider that the terms of the Rights Issue, including the Subscription Price, are fair, reasonable and in the interests of the Company and the Shareholders as a whole.

Other securities of the Company

As at the Latest Practicable Date, the Company has 3,000,000 outstanding Share Options. Save as the above, the Company does not have any other derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into any Shares and no capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option or agreed conditionally or unconditionally to be put under option.

Qualifying Shareholders

The Company will make available the Prospectus Documents to the Qualifying Shareholders only. For the Excluded Shareholders, subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company may make available copies of the Prospectus to them for their information only, but no PAL will be sent to the Excluded Shareholders. To qualify for the Rights Issue, a Shareholder must at the close of business on the Record Date: (i) be registered on the register of members of the Company; and (ii) not be an Excluded Shareholder.

Beneficial owners whose Shares are held by nominee companies (or held in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Beneficial owners with their Shares held by nominee companies (or held in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as a member of the Company on the Record Date, a Shareholder must lodge the relevant transfer(s) of the Share(s) (with the relevant share certificates) for registration with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by 4:30 p.m. on Tuesday, 18 August 2026.

The last day of dealing in the Shares on cum-rights basis is Friday, 14 August 2026. The Shares will be dealt with on an ex-rights basis from Monday, 17 August 2026.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Excluded Shareholders should note that their shareholdings in the Company will be diluted.

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Rights of Overseas Shareholders

The Prospectus will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders, if any, may not be eligible to take part in the Rights Issue. The Company will send the Prospectus (without the PAL) to the Excluded Shareholders for their information only. For the avoidance of doubt, the Overseas Shareholders, if any, are entitled to attend and vote at the EGM.

As at the Latest Practicable Date, there are 5 Overseas Shareholders with their registered addresses situated in the PRC and who are interested in 5,674,500 Shares in aggregate, representing approximately 18.91% of the total issued share capital of the Company. In the meantime, the Company is seeking legal advice in respect of extending the issue of the Rights Shares to the Overseas Shareholders and the results of the enquiries and the basis of exclusion of the Overseas Shareholders, if any, from the Rights Issue will be included in the Prospectus.

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

Based on the above, there was no Excluded Shareholder as at the Latest Practicable Date. The Company will continue to ascertain whether there are any other Overseas Shareholders (other than the aforesaid) as at the Record Date and, if applicable, will make further enquiries with legal advisers in other overseas jurisdictions regarding the feasibility of extending the Rights Issue to such Overseas Shareholder (if any) as at the Record Date.

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

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Overseas Shareholders should note that they may or may not be entitled to the Rights Issue subject to the results of the enquiries made by the Company pursuant to the GEM Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

Basis of provisional allotment

The basis of the provisional allotment shall be four (4) Rights Shares for every one (1) Share in issue and held at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance. There will be no excess application arrangements in relation to the Rights Issue.

No fractional entitlements to the Rights Shares

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

No odd lot arrangement in respect of the Rights Issue

As no odd lots of the Shares are expected to result from the Rights Issue, no odd lot matching services will be provided by the Company in respect of the Rights Issue.

Status of the Rights Shares

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

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Monday, 28 September 2026. If the Rights Issue does not become unconditional, refund cheques are expected to be posted on or before Monday, 28

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September 2026 by ordinary post, at the respective Shareholders' own risk, to their registered addresses.

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

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

Accordingly, on 10 July 2026, the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares to the independent placees on a best effort basis.

Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and ES Unsold Rights Shares during the Placing Period to independent placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Excluded Shareholders on a pro rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 6:00 p.m. on Friday, 18 September 2026 (or such later date as the Company may announce), subscribers for all (or as many as possible) of those Unsubscribed Rights Shares and ES Unsold Rights Shares. Any Unsubscribed Rights Shares and ES Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the No Action Shareholders as set out below on a pro rata basis (but rounded down to the nearest cent):

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

If and to the extent in respect of any Net Gain, any No Action Shareholders become entitled on the basis described above to an amount of HK\$100 or more, such amount will be paid to the relevant No Action Shareholder(s) in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefits.

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

Principal terms of the Placing Agreement are summarised as follows:

Date: 10 July 2026

Issuer: The Company

Placing Agent: Yuet Sheung International Securities Limited

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

Placing Period: The period commencing from Monday, 14 September 2026 and ending at 6:00 p.m. on Friday, 18 September 2026 or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Placing

Commission: Subject to completion of the Placing taking place, the Company shall pay a placing commission in Hong Kong Dollars, of 4% of the actual gross proceeds from the subscription of the Unsubscribed Rights Shares and the ES Unsold Rights Shares under the Placing

Placing price of the Unsubscribed Rights Shares and ES Unsold Rights Shares: The placing price of the Unsubscribed Rights Shares and ES Unsold Rights Shares shall be not less than the Subscription Price.

The final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares and ES Unsold Rights Shares during the process of placement.

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Placees: The Unsubscribed Rights Shares and ES Unsold Rights Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies).

The Company and the Placing Agent will ensure that the Placing will not have any implications under the Takeovers Code and no placee and/or Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing and the Company will continue to comply with the public float requirement under the GEM Listing Rules upon completion of the Placing and the Rights Issue.

Ranking: The placed Unsubscribed Rights Shares and ES Unsold Rights Shares (when allotted, issued and fully paid, if any) shall rank *pari passu* in all respects among themselves and with the Shares in issue as at the date of completion of the Rights Issue.

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

- (i) the GEM Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully paid forms (subject to customary conditions) and such approval not having been withdrawn or revoked;
- (ii) the passing of all necessary resolutions to be proposed at the EGM to be convened to consider and, approve, among others, the Rights Issue and the transactions contemplated thereunder;
- (iii) all necessary consents and approvals to be obtained on the part of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained;

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

None of the above conditions is capable of being waived.

The long stop date for the fulfilment of conditions of the Placing Agreement shall be 4:10 p.m. on Monday, 21 September 2026 (being the next Business Day after the Placing End Date) or such later date as may be announced by the Company. The Company shall use its reasonable endeavours to procure the fulfilment of the conditions and if the said conditions are not fulfilled on or before the Placing Long Stop Date, the Placing Agreement will lapse and become null and void and the Company and the Placing Agent shall be released from all obligations under the Placing Agreement, save the liabilities for any antecedent breaches thereof.

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

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Termination:

Notwithstanding anything contained in the Placing Agreement, the Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time up to the Placing Long Stop Date upon the occurrence of the following events which, in the reasonable opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or would materially prejudice the success of the Placing or full placement of all of the Unsubscribed Rights Shares and the ES Unsold Rights Shares or otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (a) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's reasonable opinion would affect the success of the Placing; or
- (b) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's reasonable opinion, would affect the success of the Placing; or

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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 affect the business or financial prospects of the Group and/or the success of the Placing; or
- (d) any litigation or claim being instigated against any member of the Group or its senior management, which has or may affect the business or financial position of the Group and which in the Placing Agent's reasonable opinion would affect the success of the Placing; or
- (e) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the completion which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in a material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (f) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

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

The engagement between the Company and the Placing Agent in respect of the Unsubscribed Rights Shares and the ES Unsold Rights Shares was determined after arm's

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

Application for listing of the Rights Shares

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

Rights Shares will be eligible for admission into CCASS

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

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

Stamp duty and other applicable fees

Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

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Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Excluded Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf. It is emphasised that none of the Company, the Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposing of, dealing in or exercising any rights in relation to the Rights Shares in either their nil-paid or fully-paid form.

Conditions of the Rights Issue

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

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

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

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

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

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

CLOSURE OF REGISTER OF MEMBERS FOR EGM

The register of members of the Company will be closed from Monday, 10 August 2026 to Thursday, 13 August 2026 (both dates inclusive) for determining the Shareholders' entitlement to attend and vote at the EGM. No transfer of Shares will be registered during the above book closure period.

CLOSURE OF REGISTER OF MEMBERS FOR RIGHTS ISSUE

The register of members of the Company will be closed from Wednesday, 19 August 2026 to Tuesday, 25 August 2026 (both dates inclusive) for determining the Shareholders' entitlements to the Rights Issue. No transfer of Shares will be registered during the above book closure period.

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

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are investment holding, provision of digital media services and provision of marketing services.

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Assuming full subscription of the Rights Shares and no change in the number of issued Shares on or before the Record Date, the estimated net proceeds from the Rights Issue will be approximately HK\$40.4 million.

The Company intends to apply the net proceeds from the proposed Rights Issue as to (i) approximately HK\$8.3 million for repayment of the Shareholder's Loans; (ii) approximately HK\$12 million for setting up an artificial intelligence ("AI") department and for the development and implementation of AI features into the Group's media and marketing business; (iii) approximately HK\$12 million for any future co-operation/investment opportunities; and (iv) approximately HK\$8.1 million for working capital of the Group. Details of which are as follows:

Repayment of the Shareholder's Loans

Throughout February 2023 to July 2024, Mr. Yin Di, a substantial Shareholder and the Chief Executive Officer, Chairman of the Board and an executive Director, provided unsecured and unguaranteed interest-free loans to the Company with an aggregate principal amount of HK\$8.3 million, to support the Company's general working capital. In respect of the Shareholder's Loans, HK\$5.05 million and HK\$3.25 million will be due in 2038 and 2039 respectively. Although the Shareholder's Loans are interest-free, unsecured and unguaranteed, and carry a long repayment term, which apparently appears to be a supportive financing arrangement, the Company has found that the existence of the Shareholder's Loans has become a material obstacle for the Company in securing new investment opportunities from investors. Recently, the Company approached two institutional investors and funds to explore potential equity and/or convertible securities investment opportunities with a fund-raising size falling within the scale of the general mandate of the Company. During these engagements, the Company became aware that its reliance on the Shareholder's Loans was viewed by the potential institutional investors and funds as a distinct disadvantage. They raised concerns that the Shareholder's Loans provided by a single substantial Shareholder pose potential governance and financial risk of the Company, and indicated no interest in further discussion with the Company unless the Company could settle the Shareholder's Loans, and as such, no terms could be concluded with the above potential investors. Nevertheless, the above potential investors have indicated that they are interested to proceed with negotiations with the Company on future equity and/or convertible securities investment opportunities upon addressing their concerns about the existence of the Shareholder's Loans.

As at 31 March 2026, the Group has bank balances and cash of approximately HK\$19.3 million. Given the Group has been making loss for consecutive two years and in view of the increasing frequency of the delay in repayment of trade receivables by customers, the Company is of the view that it is necessary to retain the current available cash resources of the Group as a buffer to ensure healthy business operations by reducing the possibility of cash flow disruption and for general working capital of the Company.

As such, the Company plans to apply part of the net proceeds from the proposed Rights Issue to settle the Shareholder's Loans in full.

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Having considered (i) the early repayment of the Shareholder's Loan would improve the image of the Company from too reliance on the financial assistance from the substantial Shareholder, which is beneficial to the Company for future equity fund-raising for business development in the long run; (ii) early repayment of the Shareholder's Loan using the net proceeds from the Rights Issue could allow the Group to retain sufficient available financial resources to ensure a healthy business operations as explained above; and (iii) fund-raising by way of the Rights Issue offers all Qualifying Shareholders the opportunity to maintain their pro rata shareholding interests in the Company and avoid shareholding dilution for those Shareholders who take up their entitlement under the Rights Issue in full, at an attractive discount, the Company is of the view that despite the Shareholder's Loans is interest free, unsecured and carry a long repayment term and the early repayment of the Shareholder's Loans using the net proceeds from the Rights Issue would have dilution impact to those Shareholders who do not take up their entitlement in full, the potential benefits to the Company outweigh the early repayment of the Shareholder's Loans by using the net proceeds from the Rights Issue and is in the interest of the Company and the Shareholders as a whole.

Setting up AI department and for the development and implementation of AI technologies into the Group's media and marketing business

The overall environment of the digital marketing industry continues to be volatile amid persistent slowdown in Hong Kong's retail market. Meanwhile, competition among peers is also very intense. Due to the continuous rise in staff cost and cost of services, coupled with the reducing marketing budget from customers, the Group must enhance personal business capabilities while lowering the Company's operating expenses, thereby achieving cost reduction, increasing revenue, and sustaining market competitiveness.

To achieve the above targets, the Group plans to build automated smart marketing workflows to reduce costs and increase efficiency through technological empowerment. Meanwhile, the Group is actively revitalising and will continue to revitalise the Group's vast existing customer resources, extending smart marketing capabilities to traditional sales scenarios, and cultivating diversified growth engines. To achieve the above targets, the Group needs to invest in AI and research and development to build competitive barriers in smart marketing including streamlining internal cross-departmental processing and enhance both the speed and accuracy of client responses.

Therefore, investment in AI technologies to enhance the Group's digital marketing business to maintain market competitiveness is essential.

After assessing the Group's business needs, the Group considered investing in AI technologies to attain the following business milestones:

- enabling hyper-personalisation at scale, where algorithms analyse customer data to deliver tailored content and product recommendations that help customers boost conversion rates in the competitive retail sector;

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- building an in-house customer and internal big data database, and integrating AI-powered recommendation bot technology to comprehensively enhance business capability and efficiency, allowing staff to promptly structure and provide precise solutions to address customers' needs and enhance the cost effectiveness of the Group's internal operations;
- launching programmatic advertising powered by AI automates real time ad buying and targeting based on location, language, and even local events, maximising ad spend efficiency;
- introducing AI driven chatbots to provide 24/7 customer service in multiple languages, reducing manpower costs while meeting consumers' high expectations for instant responses;
- launching generative AI tools that enable the Group to quickly produce and localise copy, social media posts, and articles for the global markets, while leveraging predictive analytics to forecast consumer trends from search and social data, allowing proactive campaign adjustments; and
- launching real time dashboards that consolidate multichannel data to guide budget allocation, and competitive intelligence tools that scan competitors' ads and reviews to uncover market opportunities.

In light of the foregoing, the Group has been engaging in extensive negotiations with one local and one foreign AI and software solutions provider and has obtained their respective quotations, totaling approximately HK\$8 million. The Company plans to utilise HK\$8 million from the net proceeds of the proposed Rights Issue to engage the above service providers. The above service providers will be jointly responsible for the design and development of the aforementioned powerful AI technologies and software for the Group's digital marketing business, which is expected to be substantially completed by 31 March 2027.

Additionally, the Company plans to utilise HK\$4 million from the net proceeds of the proposed Rights Issue to establish an internal AI department for the purposes of cooperation with the AI service providers and for the ongoing development of the AI function unit of the Group, encompassing various expenses such as renovation, furniture and fixtures, recruitment of talents, computer hardware and other administrative costs, which is expected to be fully utilised by 30 June 2027.

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In this connection, the Company plans to establish the internal AI department which is expected to compose of the followings:

- an office and hardware lab of approximately 180 square meter which shall be equipped with infrastructures including but not limited to office furniture and fixtures, renovation suitable for research and development of AI technologies, servers, computer hardware and software, cloud storage and data centre; and
- a talented team of 12 members including one product director, one system architect, one hardware architect, five staff for system development, one algorithm engineer, two project managers and one administration staff.

Future co-operation/investment opportunities

With a view to securing long-term, mutually beneficial collaborations, and to enjoy any future possible capital gain of the Group's customers with growth potential, the Group plans to make strategic minority shareholding investments in selected prospective customers to enhance customer stickiness and foster long-term cooperation, while also offering the Group an opportunity to benefit from any capital appreciation from any possible future growth of those customers.

Accordingly, the Company plans to allocate HK\$12 million from the net proceeds of the Rights Issue for such future investment opportunities, comprising (i) HK\$2 million for engaging professional advisers to assist the Company in conducting due diligence on the Group's customers, identify any potential customers worth investing in, and performing valuations of those identified customers; and (ii) HK\$10 million for future minority shareholding investment in those prospective customers. The Company expects that such proceeds shall be gradually fully utilised by 31 March 2027.

After several conversations and discussions with the Group's existing customers, the Company has a preliminary interest in investing in the Group's existing customers which are principally engaging in the business segment of digital marketing and big health technologies and new retail industry in the PRC. The Company notes that the market size of China's big health industry reached RMB9 trillion in 2025 and is projected to grow to RMB16 trillion by 2030, indicating significant growth potential. The Company believes that the big health technologies and new retail industry in the PRC will have substantial development prospects. Additionally, the Company has long been deploying resources to develop its on-line advertisement business in the PRC, and has been co-operating and providing services to PRC-based digital market service providers. Investment in those service providers would facilitate the expansion of the Group's on-line advertisement business in the PRC.

As at the Latest Practicable Date, the Company has not identified any suitable target for investment or entered into any negotiation, agreement, arrangement, understanding or

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undertaking (whether formal or informal and whether express or implied) in relation to any investment, co-operation or acquisition targets.

Working capital of the Group

The Company plans to allocate HK\$8.1 million from the net proceeds of the Rights Issue for strengthening financial resources for working capital of the Group including staff salaries, Directors' fees, legal and professional fees, audit fees, rent and office equipment and overheads, which is expected to be fully utilised by 31 December 2026.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully-subscribed, any Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed to independent places on a best effort basis by the Placing Agent under the Compensatory Arrangements. Any Unsubscribed Rights Shares and ES Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be scaled down accordingly. In the event that there is an under subscription of the Rights Issue, the net proceeds of the Rights Issue will first be fully applied to repay the Shareholder's Loan. Any excess amount will first be fully utilised for the development of AI technologies. Any remaining amount will be used for future investments and working capital of the Group proportionally.

As the Rights Issue is non-underwritten, in the event of an under-subscription, the Company may satisfy the above funding needs from (i) cash generated from the principal business of the Group; and (ii) conducting future equity fund-raising when opportunities arise.

Other fund-raising alternatives

Other than the Rights Issue, the Company has considered other debt/equity fund-raising alternatives such as bank borrowings, placing or open offer. The Company has approached three banks for the possibility of obtaining debt financing but was being rejected without any terms being proposed. Additionally, the Board considers that debt financing will result in additional interest burden and a higher gearing ratio of the Group. In addition, debt financing may not be achievable on favourable terms or may require pledge of other kind of assets or securities which may reduce the Group's flexibility. Given the Company could not obtain debt financing from banks, the Company could only consider equity fund-raising at this moment. As for equity fund-raising, such as placing of new Shares, it is relatively smaller in scale as compared to fund-raising through rights issue and it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company. As for open offer, while it is similar to a rights issue, offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market. On the other hand, the Board considers that the Rights Issue, being pre-emptive in nature, would allow all Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain or decrease their respective pro rata shareholdings in the Company by taking up their respective rights

LETTER FROM THE BOARD

entitlement or disposing of their rights entitlements in the open market (subject to availability).

The Board (including the independent non-executive Directors whose view is set out in the letter from the Independent Board Committee included in this circular) considers that the terms of the Rights Issue are fair and reasonable and raising funds through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

Assuming there is no further issue or repurchase of Shares from the Latest Practicable Date up to and including the date of completion of the Rights Issue, the table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue, assuming full acceptance by all Shareholders; (iii) immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders have taken up any entitlements of the Rights Shares and all the Unsubscribed Shares and ES Unsold Rights Shares are placed to the independent placees:

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue, assuming full acceptance by all Shareholders		Immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders has taken up any entitlements of the Rights Shares and all the Unsubscribed Shares and ES Unsold Rights Shares are placed to the independent placees	
	Number of shares	Approximate %	Number of shares	Approximate %	Number of shares	Approximate %
Mr. Yin (note 1)	7,476,500	24.92	37,382,500	24.92	7,476,500	4.98
Mr. Liu (note 2)	416,500	1.39	2,082,500	1.39	416,500	0.28
Mr. Ng Chi Fung (Note 3)	400	Negligible (Note 3)	2,000	Negligible	400	Negligible
Cooper Global Capital Limited (Note 4)	100	Negligible (Note 4)	500	Negligible	100	Negligible
Public Shareholders						
Placees	–	–	–	–	120,032,000	80.00
Other public Shareholders	22,114,500	73.69	110,572,500	73.69	22,114,500	14.74
	<u>30,008,000</u>	<u>100.00</u>	<u>150,040,000</u>	<u>100.00</u>	<u>150,040,000</u>	<u>100.00</u>

LETTER FROM THE BOARD

Notes:

1. Mr. Yin is the chairman, the chief executive officer and an executive Director of the Company.
2. Mr. Liu is an executive Director of the Company.
3. Mr. Ng Chi Fung is a non-executive Director and his shareholding is less than 0.01%.
4. Cooper Global Capital Limited is owned as to 50% by Ms. Wan Wai Ting, an executive Director and its shareholding is less than 0.01%.
5. The Company will ensure compliance with the minimum public float requirement under Rule 11.23(7) of the GEM Listing Rules upon completion of the Rights Issue.

FUNDRAISING EXERCISE IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company had not carried out any equity fund-raising activities in the past twelve months immediately preceding the date of this circular:

On 25 August 2025, the Company announced a placing of new Shares under general mandate of the Company. The net proceeds of the above-mentioned placing was approximately HK\$2.7 million and the intended use of proceeds from the placing was to support the development of the healthcare business of the Group. The afore-mentioned placing was completed on 8 September 2025 and HK\$1.6 million of the net proceeds was utilized as intended. The remaining net proceeds from the placing of HK\$1.1 million will be utilised as intended by 30 September 2026.

GEM LISTING RULES IMPLICATIONS

Given that the Rights Issue will increase the issued share capital of the Company by more than 50%, under Rules 10.24 and 10.29(1) of the GEM Listing Rules, the Rights Issue is subject to the approval of the Independent Shareholders by way of poll at the EGM at which any controlling Shareholders and their respective associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the resolution approving the Rights Issue.

As at the Latest Practicable Date, the Company has no controlling Shareholder as defined under the GEM Listing Rules. Mr. Yin Di, the chairman and chief executive officer of the Company and an executive Director, was interested in 7,476,500 Shares, representing approximately 24.92% of the total issued Shares. Mr. Yin Di also has material interest in the Rights Issue since part of the net proceeds from the Rights Issue will be utilised to settle the Shareholder's Loans. Mr. Liu Liping, an executive Director, was interested in 416,500 Shares, representing approximately 1.39% of the total issued Shares. Ms. Wan Wai Ting, an executive Director, was indirectly interested in 100 Shares via her controlled corporation – Cooper Global Capital Limited, representing approximately 0.0003% of the total issued Shares. Mr. Ng Chi Fung, a non-executive Director, was interested in 400 Shares, representing approximately 0.0013% of the total issued Share. Therefore, Mr. Yin Di, Mr. Liu Liping, Ms. Wan Wai Ting,

LETTER FROM THE BOARD

Cooper Global Capital Limited and Mr. Ng Chi Fung shall abstain from voting in favour of the resolution(s) to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder at the EGM. Save for the above, no other Shareholder is required to abstain from voting in favour of the resolution(s) to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder at the EGM.

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

DESPATCH OF PROSPECTUS DOCUMENTS

The Company will make available the Prospectus Documents containing, among other things, the Rights Issue, including information on acceptance of the Rights Shares and other information of the Group, and PAL(s) to the Qualifying Shareholders on or before Wednesday, 26 August 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 Excluded Shareholders (if any) for their information only, but the Company will not send the PAL to the Excluded Shareholders (if any).

EGM

A notice convening the EGM to be held at Unit 1201 & 16, 12/F, Two Harbour Square, No. 180 Wai Yip Street, Kwun Tong, Hong Kong on Thursday, 13 August 2026 at 11:00 a.m. is set out on pages EGM-1 to EGM-4 of this circular for the purpose of, considering and, if thought fit, passing the resolutions set out therein. Under Rule 17.47(4) of the GEM Listing Rules, any vote of the Shareholders at the EGM must be taken by poll. According to the articles of association of the Company, a resolution put to the vote of the EGM shall be decided by poll save that the chairman of the meeting may, pursuant to the GEM Listing Rules, allow a resolution to be voted on by a show of hands.

You will find enclosed a form of proxy for use at the EGM. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours (i.e. 11:00 a.m. on Tuesday, 11 August 2026) before the time appointed for holding the EGM or any adjournment. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM, or any adjourned meeting thereof should you so desire, and in such event, the form of proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

POSSIBLE ADJUSTMENTS TO THE SHARE OPTIONS

As at the Latest Practicable Date, there are 3,000,000 outstanding Share Options granted under the Share Option Scheme entitling the holders thereof to subscribe for an aggregate of 3,000,000 new Shares. Pursuant to the terms of the Share Option Scheme, the Rights Issue may lead to adjustments to, among others, the exercise price and/or the number of Shares to be issued upon exercise of the outstanding Share Options under the Share Option Scheme. The Company will notify the holders of such Share Options and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made (if any) pursuant to the terms of the Share Option Scheme and such adjustments will be certified by an independent financial adviser or auditors of the Company (as the case may be). Save for the foregoing, as at the date of this circular, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares prior to the Record Date. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

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

The Shares are expected to be dealt in on an ex-rights basis from Monday, 17 August 2026. Dealings in the Rights Shares in nil-paid form are expected to take place from Friday, 28 August 2026 to Friday, 4 September 2026 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Please refer to the section headed “Conditions of the Rights Issue” in this circular above.

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

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

RECOMMENDATIONS

The Independent Board Committee comprising all the independent non-executive Directors, namely Ms. Fu Hongzhi, Mr. Bian Wencheng and Mr. Wen Zefeng, 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. Frontpage Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable.

LETTER FROM THE BOARD

Your attention is drawn to the letter from the Independent Board Committee set out on pages 38 to 39 of this circular which contains its recommendation to the Independent Shareholders in relation to the Rights Issue, and the letter from the Independent Financial Adviser set out on pages 40 to 74 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

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

Guoen Holdings Limited

Yin Di

Chairman, Chief Executive Officer and Executive Director

Guoen Holdings Limited

國恩控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8121)

24 July 2026

To the Independent Shareholders

Dear Sir or Madam,

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

We refer to the circular of the Company dated 24 July 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.

Frontpage Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable. Details of its recommendation, together with the principal factors and reasons taken into consideration in arriving at such recommendation, are set out on pages 40 to 74 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 11 to 37 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the factors and reasons considered by, and the opinion of, the Independent Financial Adviser as set out in its letter of advice to the Independent Shareholders and the Independent Board Committee on pages 40 to 74 of the Circular, we are of the opinion that the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the Rights Issue.

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

Ms. Fu Hongzhi

Mr. Bian Wencheng
Independent non-executive Directors
Guoen Holdings Limited

Mr. Wen Zefeng

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from Frontpage Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Proposed Rights Issue and the transactions contemplated thereunder, which has been prepared for the purpose of inclusion in this circular.



24 July 2026

To the Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

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

INTRODUCTION

We refer to our appointment as the independent financial advisers to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed Rights Issue, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 24 July 2026 (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 announcement of the Company dated 10 July 2026 regarding the proposed Rights Issue. The Company proposes to conduct the Rights Issue on the basis of four (4) Rights Shares for every one (1) existing Share held on the Record Date at the Subscription Price of HK\$0.36 per Rights Share, to raise up to approximately HK\$43.2 million before expenses by way of issuing up to 120,032,000 Rights Shares (assuming no change in the number of issued Shares on or before the Record Date).

Assuming full subscription of the Rights Shares and no change in the number of issued Shares on or before the Record Date, the estimated net proceeds from the Rights Issue will be approximately HK\$40.4 million.

The Company will provisionally allot to the Qualifying Shareholders four (4) Rights Shares in nil-paid form for every one (1) Share in issue and held on the Record Date, which is currently expected to be on Tuesday, 25 August 2026. The Rights Issue will not be available to the Excluded Shareholders.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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

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

GEM LISTING RULES IMPLICATIONS

In accordance with Rules 10.24 and 10.29(1) of the GEM Listing Rules, as the Rights Issue will increase the issued share capital of the Company by more than 50%, the Rights Issue is subject to the approval of the Independent Shareholders by way of poll at the EGM at which any controlling Shareholder and their respective associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the resolution approving the Rights Issue.

As at the Latest Practicable Date, the Company has no controlling Shareholder as defined under the GEM Listing Rules. As such, Mr. Yin Di, who is the chairman and chief executive officer of the Company and an executive Director, was interested in 7,476,500 Shares, representing approximately 24.92% of the total issued Shares as at the Latest Practicable Date. Mr. Yin Di also has material interest in the Rights Issue since part of the net proceeds from the Rights Issue will be utilised to settle the Shareholder's Loans. Mr. Liu Liping, an executive Director, was interested in 416,500 Shares, representing approximately 1.39% of the total issued Shares as at the Latest Practicable Date. Ms. Wan Wai Ting, an executive Director, was indirectly interested in 100 Shares via her controlled corporation – Cooper Global Capital Limited, representing approximately 0.0003% of the total issued Shares. Mr. Ng Chi Fung, a non-executive Director, was interested in 400 Shares, representing approximately 0.0013% of the total issued Share. Therefore, Mr. Yin Di, Mr. Liu Liping, Ms. Wan Wai Ting, Cooper Global Capital Limited and Mr. Ng Chi Fung shall abstain from voting in favour of the resolution(s) to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder at the EGM. Save for the above, no other Shareholder is required to abstain from voting in favour of the resolution(s) to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder at the EGM.

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all the independent non-executive Directors, namely Ms. Fu Hongzhi, Mr. Bian Wencheng and Mr. Wen Zefeng, 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. We, Frontpage Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

BASIS OF OUR OPINION

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders, we have considered, among other things, (i) the annual report of the Company (the “**2026 Annual Report**”) for the year ended 31 March 2026 (“**FY2026**”), the annual report of the Company (the “**2025 Annual Report**”) for the year ended 31 March 2025 (“**FY2025**”) and the annual report of the Company (the “**2024 Annual Report**”) for the year ended 31 March 2024 (“**FY2024**”); (ii) the Placing Agreement; (iii) other information as set out in the Circular; and (iv) relevant market data and information available from public sources.

We have also relied on all relevant information and representations provided, and the opinions expressed, by the Directors and/or the management of the Company (the “**Management**”). We have assumed that all such information and representations contained or referred to in the Circular are true and accurate in all material respects as at the date thereof.

The Directors and the Management have jointly and severally accepted full responsibility for the accuracy of the information contained in the Circular and have also confirmed that, having made all reasonable enquiries and to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no material facts not contained in the Circular, the omission of which would make any statement in the Circular misleading. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the Management, and they have confirmed that no material information has been withheld or omitted from the information provided and referred to in the Circular, which would make any statement therein misleading.

We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 17.92 of the GEM Listing Rules. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter. We consider that we have reviewed sufficient information currently available, including the relevant market data and information available from public sources as quoted in the section headed “Reasons for and benefits of the Rights Issue and the proposed use of proceeds” below in this letter, to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided by the Directors and/or the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Management, nor have we conducted an independent investigation into the business, affairs, operations, financial position or future prospects of each of the Group and its associates. We have assumed that the Rights Issue will be consummated in accordance with the terms and conditions set forth in the Circular without any waiver, amendment, addition or delay of any terms or conditions. We have also assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents as required for the Rights Issue, no delay, limitation, condition or restriction will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived from the Rights Issue.

OUR INDEPENDENCE

We are not connected with the Directors, the chief executive and substantial shareholders of the Company, the Group or any of their respective subsidiaries or associates and do not have any shareholding, direct or indirect, in any member of the Group, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group as at the Latest Practicable Date. There is no arrangement whereby we will receive any benefits from the Group or the Directors, the chief executive and substantial shareholders of the Company, the Group or any of their respective subsidiaries or associates for our services to the Company in connection with this appointment aside from our professional fees. Aside from the aforesaid engagement, we have never acted as an independent financial adviser to the Independent Board Committee and the Independent Shareholders of the Company. Therefore, we consider ourselves independent to act as the Independent Financial Adviser to the Company pursuant to Rule 17.96 of the GEM Listing Rules.

PRINCIPAL FACTORS AND REASONS CONSIDERED

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

1. Information on the Group

The Group is principally engaged in the provision of integrated digital marketing services in Hong Kong, including (i) social media management services; (ii) digital advertisement placement services; and (iii) creative and technology services.

Set out below is a summary of the Group's financial information as extracted from the 2026 Annual Report, 2025 Annual Report and 2024 Annual Report.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Summary of the Group's financial performance

	FY2024	FY2025	FY2026
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(audited)
Revenue			
Digital Advertisement Placement			
Services	9,077	11,447	10,972
Social Media Management			
Services	28,325	28,209	25,874
Creative and Technology			
Services	78,727	121,689	153,252
Total revenue	116,129	161,345	190,098
Gross profit	26,016	25,121	23,534
Profit/(loss) for the year	3,167	(1,093)	(5,004)

Comparison between FY2024 and FY2025

The revenue of the Group increased from approximately HK\$116.1 million for FY2024 to approximately HK\$161.3 million for FY2025, representing an increase of approximately 38.94%. Such increase was mainly due to the increase in revenue from creative and technology services and digital advertisement placement services, partially offset by the decrease in revenue from social media management services. The Group's gross profit decreased from approximately HK\$26.0 million for FY2024 to approximately HK\$25.1 million for FY2025, and the gross profit margin declined from approximately 22.40% to approximately 15.57%, mainly due to higher operating costs recognised in cost of services. The Group therefore recorded a loss attributable to owners of the Company which amounted to approximately HK\$1.1 million for FY2025, as compared to a profit attributable to owners of the Company which amounted to approximately HK\$3.2 million for FY2024. According to the 2025 annual report, the decrease in profit was mainly due to (i) a decrease in gross profit driven by higher cost of services; (ii) an increase in marketing-related expenses recorded as selling expenses; and (iii) higher staff costs recorded as administrative expenses during FY2025.

Comparison between FY2025 and FY2026

The revenue of the Group increased from approximately HK\$161.3 million for FY2025 to approximately HK\$190.1 million for FY2026, representing an increase of approximately 17.82%. Such increase was mainly attributable to the increase in revenue from creative and technology services, partially offset by the slight decrease in revenue from social media management services and digital advertising placement services for FY2026. The gross profit of the Group decreased from approximately

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

HK\$25.1 million for FY2025 to approximately HK\$23.5 million for FY2026. The gross profit margin also decreased from approximately 15.57% for FY2025 to approximately 12.38% for FY2026, and such decrease was mainly attributable to the increase in operation costs incurred in cost of services. The Group therefore recorded a loss attributable to owners of the Company which amounted to approximately HK\$5.0 million for FY2026, as compared to loss attributable to owners of the Company which amounted to approximately HK\$1.1 million for FY2025. According to the 2026 Annual Report, the increase in loss attributable to owners of the Company was mainly due to (i) a decrease in gross profit due to an increase in operation costs incurred in cost of services; (ii) an increase in staff costs and sales commission incurred in selling expenses; and (iii) an increase in operation costs incurred in administrative expenses during FY2026.

Summary of the Group's financial position

	As at 31 March 2024 HK\$'000 (audited)	As at 31 March 2025 HK\$'000 (audited)	As at 31 March 2026 HK\$'000 (audited)
Total assets	68,032	87,494	75,033
Non-current assets	5,728	3,866	2,105
Current assets	62,304	83,628	72,928
– Bank balances and cash	20,958	29,391	19,260
Total liabilities	42,360	45,726	35,823
Non-current liabilities	2,097	2,109	2,295
Current liabilities	40,263	43,617	33,528
Net assets	25,672	41,768	39,210

The total assets of the Group amounted to approximately HK\$75.0 million as at 31 March 2026, representing a decrease of approximately 14.24% as compared to approximately HK\$87.5 million as at 31 March 2025. The Group's bank balances and cash as at 31 March 2026 amounted to approximately HK\$19.3 million, representing a decrease of approximately 34.47% compared with approximately HK\$29.4 million as at 31 March 2025.

The Group's total liabilities decreased from approximately HK\$45.7 million as at 31 March 2025 to approximately HK\$35.8 million as at 31 March 2026, representing a decrease of approximately 21.66%.

The Group recorded net assets of approximately HK\$39.2 million as at 31 March 2026, representing a decrease of approximately 6.12% compared with approximately HK\$41.7 million as at 31 March 2025.

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

As set out in the Letter from the Board, assuming full subscription of the Rights Shares and no change in the number of issued Shares on or before the Record Date, the estimated net proceeds from the Rights Issue will be approximately HK\$40.4 million and the Company intends to apply the net proceeds from the Rights Issue as to (i) approximately HK\$8.3 million for repayment of the Shareholder's Loans; (ii) approximately HK\$12.0 million for setting up the AI department and for the development and implementation of AI features into the Group's media and marketing business; (iii) approximately HK\$12.0 million for any future co-operation/investment opportunities; and (iv) approximately HK\$8.1 million for working capital of the Group, representing approximately 20.5%, 29.7%, 29.7% and 20.1% of the estimated net proceeds, respectively.

Repayment of the Shareholder's Loans

As disclosed in the Letter from the Board, during the period from February 2023 to July 2024, Mr. Yin Di, a substantial shareholder, the Chief Executive Officer, the Chairman of the Board and an executive Director, provided unsecured, unguaranteed and interest-free loans to the Company in the aggregate principal amount of HK\$8.3 million to support the general working capital of the Company. Although the Shareholder's Loans are interest-free, unsecured and unguaranteed, and carry a long repayment term, which apparently appears to be a supportive financing arrangement, the Company has found that the existence of the Shareholder's Loans has become a material obstacle for the Company in securing new investment opportunities from investors. Recently, the Company approached two institutional investors and funds to explore potential equity and/or convertible securities investment opportunities with a fund-raising size falling within the scale of the general mandate of the Company. During these engagements, the Company became aware that its reliance on the Shareholder's Loans was viewed by the potential institutional investors and funds as a distinct disadvantage. They raised concerns that the Shareholder's Loans provided by a single substantial Shareholder pose potential governance and financial risk of the Company, and indicated no interest in further discussion with the Company unless the Company could settle the Shareholder's Loans, and as such, no terms could be concluded with the above potential investors. Nevertheless, the above potential investors have indicated that they are interested in proceeding with negotiations with the Company on future equity and/or convertible securities investment opportunities upon addressing their concerns about the existence of the Shareholder's Loans.

Having considered (i) the early repayment of the Shareholder's Loan would improve the image of the Company from too reliance on the financial assistance from the substantial Shareholder, which is beneficial to the Company for future equity fund raising for business development in the long run; (ii) early repayment of the Shareholder's Loan using the net proceeds from the Rights Issue could allow the Group to retain sufficient available financial resources to ensure a healthy business operations as explained above; and (iii) fund raising by way of the Rights Issue offers

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all Qualifying Shareholders the opportunity to maintain their pro rata shareholding interests in the Company and avoid shareholding dilution for those Shareholders who take up their entitlement under the Rights Issue in full, at an attractive discount, the Company is of the view that despite the Shareholder's Loans is interest free, unsecured and carry a long repayment term and the early repayment of the Shareholder's Loans using the net proceeds from the Rights Issue would have dilution impact to those Shareholders who do not take up their entitlement in full, the potential benefits to the Company outweigh the early repayment of the Shareholder's Loans by using the net proceeds from the Rights Issue and is in the interest of the Company and the Shareholders as a whole.

We enquired with the Management regarding the background of the two potential investors. Both potential investors are established PRC private equity funds that have been in operation for over ten years, commanding cumulative assets under management of approximately RMB10.0 billion and RMB214.0 million, respectively. We also obtained and reviewed the discussion records detailing the investment discussions between the Company and the aforementioned potential investors. These records demonstrate that the Company proposed funding structures via shares or convertible bonds specifically to support the growth of its AI technology business. However, the investors declined to proceed due to the perceived reliance on the substantial shareholder, highlighting the commercial necessity for the Group to establish long-term financial self-sufficiency and independent operations.

To evaluate the Group's financial capacity to settle the debt independently, we requested and analysed its up-to-date financial data. As of 30 June 2026, the Group held bank balances and cash of approximately HK\$17.0 million. The Management has advised that it is commercially prudent for the Company to preserve its existing cash reserves to maintain daily business operations and buffer against unexpected contingencies. Given its tight liquidity position, the Management considers that the Company does not possess sufficient unallocated internal resources to repay the HK\$8.3 million Shareholder's Loan without compromising its operational safety.

Taking into account that (i) the early repayment of the Shareholder's Loans is required to unlock institutional capital for the Group's AI technology business, which directly aligns with its corporate development strategy; (ii) the Group's current cash position lacks the capacity for internal settlement; and (iii) alternative fundraising methods are less preferable compared to the Rights Issue for the reasons discussed below in this letter, we are of the view that the repayment of the Shareholder's Loans utilising the net proceeds from the Rights Issue is reasonable and in the interests of the Company and its Shareholders as a whole.

Setting up AI department and development and implementation of AI technologies

As disclosed in the Letter from the Board, the digital marketing industry in Hong Kong remains challenging amid a persistent retail market slowdown and intense

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competition. The Group continues to face rising staff and service costs alongside tightening customer marketing budgets. Against this backdrop, the Management considers that investment in AI technologies (the “**Proposed Investment**”) is necessary to enhance the Group’s digital marketing capabilities, improve operational efficiency, and sustain competitiveness. In particular, the Group intends to use the Proposed Investment to develop automated smart marketing workflows that can reduce costs and improve efficiency through technological empowerment. Meanwhile, the Group also plans to reactivate its substantial existing customer base, extend smart marketing capabilities to traditional sales scenarios, and cultivate diversified growth drivers. To achieve these objectives, the Group will invest in AI and research and development to strengthen its competitive barriers in smart marketing, streamline internal cross-departmental processes, and enhance the speed and accuracy of client responses.

The Proposed Investment is expected to deliver, among others: (i) hyper-personalised content and product recommendations; (ii) an in-house big data database and AI-powered recommendation bot; (iii) programmatic advertising; (iv) AI-driven chatbots; (v) generative AI tools and predictive analytics; and (vi) real-time dashboards and competitive intelligence tools.

We have discussed with the Management regarding the implementation plan and expected benefits of the Proposed Investment, and reviewed the material provided by the Company, including quotations from AI service providers and their corporate information. The Management has represented to us that the adoption of AI and digitalisation is considered inevitable for the Group’s long-term development, and a long-term strategy has been formulated to accommodate market changes. As part of the implementation Plan, the Group has engaged in extensive negotiations with one local and one foreign AI and software solutions provider and obtained quotations totalling approximately HK\$8.0 million. Accordingly, the Company intends to allocate approximately HK\$8.0 million to engage these external service providers for the design and development of the proposed AI technologies. In parallel with the engagement of the external service providers, the Company intends to allocate approximately HK\$4.0 million to establish an internal AI department. The HK\$4.0 million allocation is expected to cover (i) an office and hardware laboratory of approximately 180 square metres, equipped with the relevant AI infrastructure; and (ii) a team of 12 members including one product director, one system architect, one hardware architect, five staff for system development, one algorithm engineer, two project managers and one administration staff.

Having considered that the Proposed Investment is strategically aimed at enhancing the Group’s digital marketing capabilities, improving its operational efficiency, and sustaining its long-term competitiveness within the digital marketing industry, we are of the view, and concur with the view of the Management, that the allocation of proceeds from the Proposed Rights Issue for setting up the AI department and developing AI technologies is in line with business development of the Company.

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Future co-operation/investment opportunities

As disclosed in the Letter from the Board, with a view to securing long-term, mutually beneficial collaborations, and to enjoy any future possible capital gain of the Group's customers with growth potential, the Group plans to make strategic minority shareholding investments in selected prospective customers to enhance customer stickiness and foster long-term cooperation, while also offering the Group an opportunity to benefit from any capital appreciation from any possible future growth of those customers. The Company intends to allocate HK\$12.0 million from the net proceeds of the Rights Issue for future co-operation/investment opportunities, comprising (i) HK\$2.0 million for engaging professional advisers to assist the Company in conducting due diligence, identifying potential customers worth investing in and performing valuations; and (ii) HK\$10.0 million for future minority shareholding investments in prospective customers. The Company expects that such proceeds shall be gradually fully utilised by 31 March 2027.

After several conversations and discussions with the Group's existing customers, the Company has a preliminary interest in investing in the Group's existing customers who are principally engaging in the business segment of digital marketing in the PRC and big health technologies and new retail industry in the PRC. The Company notes that the market size of China's big health industry reached RMB9 trillion in 2025 and is projected to grow to RMB16 trillion by 2030, indicating significant growth potential. The Company believes that the big health technologies and new retail industry in the PRC will have substantial development prospects. Additionally, the Company has long been deploying resources to develop the on-line advertisement business in the PRC, and has been co-operating and providing services to PRC-based digital marketing service providers. Investment in those service providers would facilitate the expansion of the Group's on-line advertisement business in the PRC.

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

In respect of the digital marketing industry in the PRC, we have searched the public domain (Note 1) and note that the national online advertising segment recorded revenue of RMB1.36 trillion in 2025, representing a year-on-year increase of 41.4%, while its contribution to the overall advertising industry revenue increased from 43.5% in 2020 to 66.2% in 2025. In addition, revenue generated from "other online advertising services", including data analytics and AI-generated content, increased from RMB31.79 billion in 2020 to RMB105.60 billion in 2025, representing an increase of 232.2%.

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Based on the 2026 Annual Report, we note that the revenue derived from external customers based in the PRC increased from approximately HK\$10.3 million for the year ended 31 March 2025 (which accounted for approximately 6.2% of the total revenue of the Group) to approximately HK\$11.8 million for the year ended 31 March 2026, representing an increase of approximately 14.6%. We also note that as at 31 March 2026, the Group had utilised approximately HK\$3.4 million of the proceeds received from the rights issue that took place in 2024, and intends to further invest the unutilised proceeds of HK\$2.6 million for the development of the online advertisement business based in the PRC on or before 31 March 2027. We understand from the Management that the Group maintains a positive outlook on the digital marketing industry in the PRC. The proposed investment in this industry is expected not only to capture potential future capital gains from the investment target, but also to provide a valuable opportunity to expand the Group's business networks in the PRC, thereby facilitating the long-term expansion of its online advertisement business in the PRC.

In respect of the big health technologies and new retail industry in the PRC, we have also searched the public domain (Note 2) and note that China's big health industry increased from RMB8 trillion in 2019 to RMB20 trillion in 2025, representing a compound annual growth rate of approximately 15%, and is expected to reach RMB29.1 trillion by 2030. We also noted from the 2026 Annual Report that the Group has been exploring new opportunities in sectors including healthcare and has incorporated Shandong Guoen (國恩控股(山東)有限公司) to engage in the trading of health supplement products. The Group intended to apply the proceeds from the placing carried out in August 2025 of approximately HK\$2.7 million to support the development of the healthcare business of the Group. According to the Management, the Group remains optimistic about the prospects of the big health and new retail industries in the PRC. The proposed allocation of resources to this segment is in line with the Group's stated business development strategy and is expected to diversify the Group's income streams.

In view of the above, we are of the view that the proposed allocation of the proceeds for future investment opportunities is in line with the Group's business development strategies, and is in the interests of the Company and the Shareholders as a whole.

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Note 1:

Source: 《中國廣告業發展指數報告(2026)》,
https://www.samr.gov.cn/zw/zfxgk/fdzdgknr/ggjs/art/2026/art_99b7925f6d24476896fc60644776d4f3.html

Note 2:

Source: 《2025年大健康市場規模分析：我國大健康市場躍升至20萬億元》，2025-06-23,
<https://www.chinabgao.com/info/1274841.html>

Working capital of the Group

As disclosed in the Letter from the Board, the Company plans to allocate approximately HK\$8.1 million from the net proceeds of the Rights Issue for strengthening financial resources for working capital of the Group including staff salaries, Directors' fees, legal and professional fees, audit fees, rent and office equipment and overheads, which is expected to be fully utilised by 31 December 2026.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event of undersubscription of the Rights Issue, the net proceeds will be applied in the following order of priority: (i) repay the Shareholder's Loans; (ii) development of AI technologies; (iii) any remaining amount will be used for future investments and working capital of the Group proportionally.

In addition, in the event of undersubscription of the Rights Issue, the Company may satisfy the above fund needs from (i) cash generated from the principal business of the Group; and (ii) conducting future equity fund raising when opportunities arise.

As discussed in the above section headed "1. Information on the Group", it is noted that the bank balances and cash of the Group decreased by approximately 34.47% from approximately HK\$29.4 million as at 31 March 2025 to approximately HK\$19.3 million as at 31 March 2026. To assess the Group's latest liquidity position, we requested and obtained up-to-date financial information from the Company. We have been advised by the Management that the Group's bank balances and cash further decreased to approximately HK\$17.0 million as at 30 June 2026. Given the amount of the use of proceeds from the Right Issue as stated above, the Company does not have sufficient internal resources to satisfy the funding needs of the plan as stated above. In addition, according to the Management, it is prudent for the Company to maintain sufficient cash level for business operation and unexpected incidents. Based on the above, we are of the view and concur with the view of the Management that given the current financial position of the Group, the conduct of the Rights Issue is justifiable.

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Alternative fund-raising methods

As disclosed in the letter from the Board, the Company has considered other debt/equity fund-raising alternatives such as bank borrowings, placing or open offer. The Company has approached 3 banks for possibility in obtaining debt financing but was being rejected without any terms being proposed. Additionally, the Board considers that debt financing would result in additional interest burden and a higher gearing ratio of the Group. Debt financing may also not be achievable on favourable terms or may require pledge of assets or securities, thereby reducing the Group's financial flexibility. Given the Company could not obtain debt financing from banks, the Company could only consider equity fund-raising at this moment. As for equity fund-raising alternatives, such as placing of new Shares, it is relatively smaller in scale as compared to fund raising through rights issue and it would lead to immediate dilution of the shareholding interests of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company. We note that the Company had conducted equity fund raising activities by placing of 5,000,000 new Shares with net proceeds of approximately HK\$2.7 million in the past twelve months immediately prior to the Announcement which HK\$1.6 million of the net proceeds had been utilised to support the development of the healthcare business of the Group, hence we concur with the Directors' view that, in the event that placing of new Shares will be conducted again, the shareholding interest of the existing Shareholders will be further diluted. An open offer, while similar to a rights issue in offering qualifying shareholders an opportunity to participate, does not allow free trading of rights entitlements in the open market.

In contrast, the Rights Issue is pre-emptive in nature and allows all Qualifying Shareholders to participate in the future development of the Company by taking up their entitlements. Qualifying Shareholders who do not wish to take up their entitlements may, subject to market demand and availability, dispose of their nil-paid rights in the market. We also note that compensatory arrangements will be made for the Unsubscribed Rights Shares and ES Unsold Rights Shares to be placed to independent placees on a best effort basis, and any premium over the Subscription Price will be distributed to the relevant No Action Shareholders on a pro rata basis.

Having considered the above, we concur with the Directors' view that the Rights Issue is a more appropriate fund-raising method as compared with the other alternatives considered, as it provides the Company with an opportunity to raise funds for its funding needs while allowing Qualifying Shareholders to maintain their respective proportionate shareholdings in the Company by taking up their entitlements, or to realise value by disposing of their nil-paid rights in the market, subject to market conditions.

3. Fund-raising exercise in the past twelve months

The Company has conducted the following equity fundraising activities during the 12 months immediately preceding the Latest Practicable Date.

On 25 August 2025, the Company announced a placing of new Shares under general mandate of the Company. The net proceeds of the above-mentioned placing was approximately HK\$2.7 million and the intended use of proceeds from the placing was to support the development of the healthcare business of the Group. The aforementioned placing was completed on 8 September 2025. As at the Latest Practicable Date, HK\$1.6 million of the net proceeds has been utilised as intended. The remaining unutilised net proceeds of HK\$1.1 million will be used as intended by 30 September 2026.

Save for the above, the Company has not conducted any other equity fundraising exercise in the past twelve months immediately prior to the Latest Practicable Date.

4. Proposed Rights Issue

The Company proposes to conduct the Rights Issue on the basis of four (4) Rights Shares for every one (1) existing Share held on the Record Date at the Subscription Price of HK\$0.36 per Rights Share, to raise up to approximately HK\$43.2 million before expenses by way of issuing up to 120,032,000 Rights Shares (assuming no change in the number of issued Shares on or before the Record Date). Set out below are the details of the Rights Issue statistics:

Rights Issue statistics

Basis of the Rights Issue	:	Four (4) Rights Shares for every one (1) existing Share held at the close of business on the Record Date
Subscription Price	:	HK\$0.36 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	30,008,000 Existing Shares

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Number of Rights Shares	:	Up to 120,032,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date). Assuming no change in the number of issued Shares on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 120,032,000 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) 400% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) 80% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.
Aggregate nominal value of the Rights Shares	:	Up to HK\$1,200,320 (assuming no change in the number of Shares in issue on or before the Record Date)
Number of Shares in issue as enlarged by the allotment and issue of the Rights Shares	:	Up to 150,040,000 Shares (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Gross proceeds from the Rights Issue	:	Up to approximately HK\$43.2 million
Net proceeds from the Rights Issue	:	Up to approximately HK\$40.4 million
Net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	Approximately HK\$0.337 per Rights Share (assuming full subscription under the Rights Issue and no change in the number of Shares)
Rights of excess application and underwriter	:	There will be no excess application arrangements in relation to the Rights Issue and the Rights Issue is not underwritten.
Compensatory Arrangements	:	Any Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements.

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Any of the Rights Shares which remain unsold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

As at the Latest Practicable Date, there are 3,000,000 outstanding Share Options granted under the Share Option Scheme entitling the holders thereof to subscribe for a total of 3,000,000 Shares under the Share Option Scheme. On 10 July 2026, each of the holders of the Share Options executed the Optionholders' Undertakings pursuant to which each of the holders of the Share Options has irrevocably undertaken in favour of the Company not to exercise the Share Options (or any part thereof) granted to him/her from the date of the Optionholders' Undertakings up to and including the close of business of the Record Date.

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

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully-subscribed, any Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed to independent placees on a best effort basis by the Placing Agent under the Compensatory Arrangements. Any Unsubscribed Rights Shares and ES Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue. As the Rights Issue will proceed on a non-underwritten basis, any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code.

Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which (a) 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; and (b) does not result in non-compliance with the public float requirement under Rule 17.37B of the GEM Listing Rules. As at the Latest Practicable Date, the Board has not received any

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information or undertaking from any substantial shareholders of their intention in relation to the Rights Shares to be allotted to them under the Rights Issue.

As advised by the Management, the Company had preliminarily approached several financial institutions (including the Placing Agent) for underwriting the Rights Issue but has not received any favourable feedback due to the current capital market situation apart from the Placing Agent who expressed its interest in acting as a placing agent on best effort basis. As such, the Company subsequently decided to conduct the Rights Issue on non-underwritten basis and to adopt the Compensatory Arrangement simultaneously. In the event of an under-subscription, the Company may satisfy the above fund needs from (i) cash generated from the principal business of the Group; and (ii) conducting future equity fund-raising when opportunities arise.

As illustrated in the table stated in “Rights Issue comparable analysis”, we noted that among the 38 Comparables, 36 were conducted on a non-underwritten basis. This indicates that it is common market practice for listed issuers to conduct rights issues without underwriting arrangements. Having considered the market practice, unfavourable feedback of underwriting services and the proposed terms of the Rights Issue and the Subscription Price, we are of the view that it is in the interests of the Company to proceed with the Rights Issue on a non-underwritten basis.

Subscription Price

The Subscription Price of HK\$0.36 per Rights Share is payable in full upon acceptance of the relevant provisional allotment of Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 24.21% to the closing price of HK\$0.475 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 27.27% to the average closing price of approximately HK\$0.495 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 27.78% to the average closing price of approximately HK\$0.4985 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 6.01% to the theoretical ex-rights price of approximately HK\$0.383 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.475 per Share as quoted on the Stock Exchange on the Last Trading Day;

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- (v) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 22.40% to the existing Shareholders if they elect not to participate in the Rights Issue, which is calculated based on the theoretical ex-rights price of approximately HK\$0.388 per Share and the benchmarked price of HK\$0.5 per Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.460 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of approximately HK\$0.5 per Share); and
- (vi) a discount of approximately 72.52% to the consolidated net asset value per Share of approximately HK\$1.31 (based on the latest published audited consolidated net asset value of the Company of HK\$39,210,000 as at 31 March 2026 and 30,008,000 Shares in issue as at the Latest Practicable Date).

As disclosed in the Letter from the Board, the Subscription Price was determined with reference to, among other things, (i) the prevailing market prices of the Shares; and (ii) the reasons as discussed in the section headed “REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND THE PROPOSED USE OF PROCEEDS” in the Letter from the Board. In determining the Subscription Price, the Company has reviewed the closing price of the Shares for the six-month period up to and including the Last Trading Day (the “**Reference Period**”), which the Company considered representative to reflect the prevailing market prices of the Shares. The closing price of the Shares throughout the Reference Period had been experiencing a fluctuating downward trend gradually from the highest price of HK\$0.93 per Share on 2 February 2026 to the lowest price of HK\$0.475 per Share on the Last Trading Day. In addition, the trading volume of the Shares during the Reference Period was considered thin, with the average daily trading volume during the Reference Period amounting to approximately 0.38% to the total number of existing issued Shares. Based on the above observation, the Company considers it is necessary to set of Subscription Price at an attractive discount to the prevailing closing prices and the benchmarked price of the Shares under GEM Rule 10.44A aiming at lowering the further investment cost of the Shareholders so as to encourage them to participate in the Rights Issue so as to meet the Company’s fundraising needs.

Additionally, while the Directors noted that the Subscription Price represents a discount of approximately 72.52% to the consolidated net asset value per Share attributable to owners of the Company as at 31 March 2026, the prices of Shares had consistently traded at a substantial discount to such net asset value per Share over the past year immediately preceding the Last Trading Day, ranged from a discount of approximately 23.1% to 67.4%. Accordingly, the Directors consider that the net asset value per Share is not a meaningful benchmark to assess the Subscription Price,

instead, the prevailing market price of the Shares would be a more appropriate reference in determining the Subscription Price in this regard.

In light of the above, in particular, an attractive discount is necessary to encourage existing Shareholders to participate in the Rights Issue in view of the continuing downward trend on the prices of the Shares and the thin trading volume throughout the Reference Period, the Directors consider that the terms of the Rights Issue, including the Subscription Price, are fair, reasonable and in the interests of the Company and the Shareholders as a whole.

5. Assessment of the principal terms of the Rights Issue

Historical closing price and trading volume of the Shares

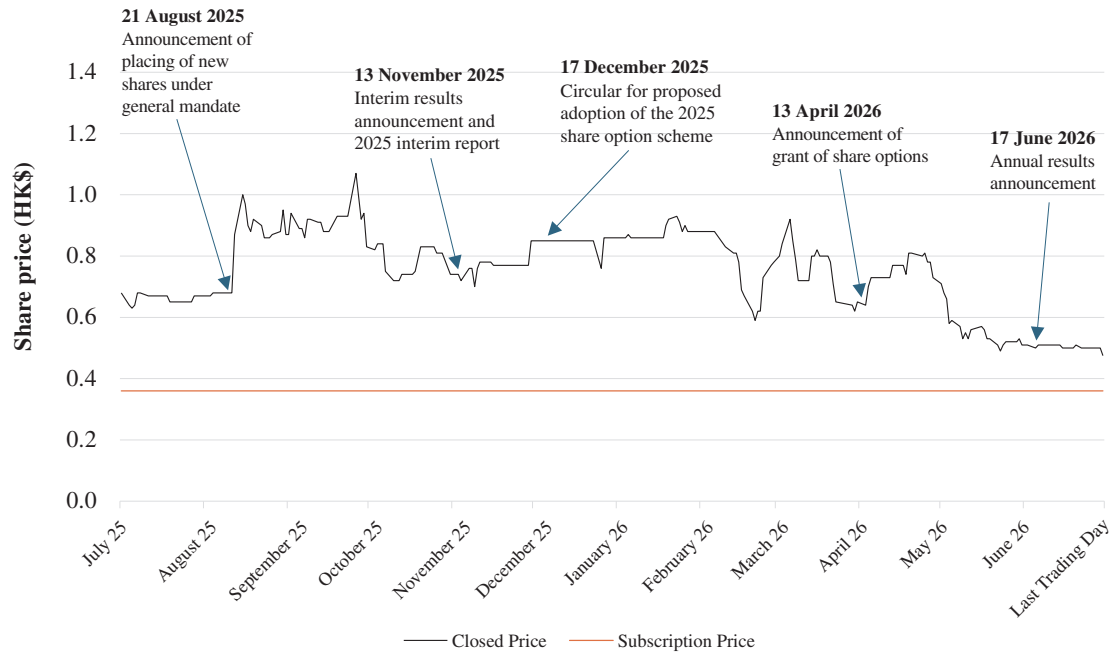
In order to assess the fairness and reasonableness of the Subscription Price, we have performed a review on (i) the daily closing prices of the Shares as quoted from 11 July 2025 up to and including the Last Trading Day, being a period of approximately 12 months up to and including the Last Trading Day (the “**Review Period**”); and (ii) the average daily trading volumes of the Shares for each of the months/period during the Review Period. We consider that the Review Period is adequate to illustrate the historical trend and level of movements in the closing prices of the Shares, reflect prevailing market sentiment, and provide a general overview of the recent price and trading performance of the Shares.

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Closing price of the Shares

The chart below shows the daily closing prices of the Shares as quoted on the Stock Exchange during the Review Period:

Historical price performance



Source: www.hkex.com.hk

During the Review Period, the closing price of Shares (the “Closing Price”) fluctuated between HK\$0.48 and HK\$1.07, with an average Closing Price of approximately HK\$0.75.

As illustrated in the chart above, from the commencement of the Review Period until 20 August 2025, the Closing Price remained relatively stable fluctuating within a narrow range around HK\$0.65. Following the Company’s announcement on 21 August 2025 regarding the placement of new shares under a general mandate, the Closing Price experienced a sharp upward trajectory and reached HK\$1.00. The Closing Price subsequently peaked at HK\$1.07 on 6 October 2025, representing the highest level recorded during the Review Period.

Thereafter, the Closing Price entered a gradual decline and fluctuated primarily within a range between HK\$0.70 and HK\$0.90 until April 2026. Since May 2026, the Closing Price experienced a downward trend, continuing to decrease until it reached a low of at HK\$0.48 on the Last Trading Day, marking the lowest point during the Review Period. From June 2026 up to the Last Trading Day, the Closing Price consolidated and remained at around HK\$0.50. During this consolidation period, the

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Company published its profit warning announcement on 9 June 2026, followed by the subsequent release of its annual results on 17 June 2026.

The Subscription Price of HK\$0.36 represents (i) a discount of approximately 24.21% to the lowest Closing Price per Share (i.e. HK\$0.48); (ii) a discount of approximately 66.36% to the highest Closing Price per Share (i.e. HK\$1.07); and (iii) a discount of approximately 51.89% to the average Closing Price per Share (i.e. HK\$0.75) during the Review Period.

With reference to the sub-paragraph headed “Rights issue comparables analysis” below in this paragraph, we note that it is a common market practice that the subscription price of a rights issue is set at a discount to the prevailing market prices of the relevant shares to encourage the existing shareholders to participate in a rights issue so as to meet the need of equity fundraising. Having considered the above and the factors set out in our analysis under the section headed “Reasons for and benefits of the Rights Issue and the proposed use of proceeds” in this letter, we are of the view that the Subscription Price, which is set at a discount to the Closing Price on the Last Trading Day, is fair and reasonable.

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Trading volume of the Shares

Set out below is the average daily trading volume of the Shares per relevant month/period, and the respective percentage of the average daily trading volume of the Shares to the total number of issued Shares as at the end of relevant month/period, during the Review Period:

Year/Month	Total trading volume of the Shares	Number of trading days	Average daily trading volume of the Shares	Percentage of average daily trading volume to the total number of issued Shares as at the end of the month/period (Note 1)
2025				
July (from 11 July)	622,300	15	41,487	0.166%
August	2,717,554	21	129,407	0.517%
September	1,232,070	22	56,003	0.224%
October	698,700	20	34,935	0.116%
November	341,700	20	17,085	0.057%
December	360,350	21	17,160	0.057%
2026				
January	548,420	21	26,115	0.087%
February	624,400	17	36,729	0.122%
March	4,072,350	22	185,107	0.617%
April	1,667,650	19	87,771	0.292%
May	3,283,000	19	172,789	0.576%
June	1,730,900	21	82,424	0.275%
July (up to 10 July)	1,461,500	7	244,500	0.815%
		Average	87,039	0.302%
		Minimum	17,085	0.057%
		Maximum	244,500	0.815%

Source: www.hkex.com.hk

Note:

- The calculation is based on the average daily trading volume for the month divided by the total number of issued Shares at the end of that month/period.

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During the Review Period, the percentage of average daily trading volume to the total number of issued Shares as at the end of the relevant month or period ranged from 0.057% to 0.815%, with an average of 0.302%. Given the thin trading volume of the Shares during the Review Period, we consider that the Company is unlikely to be able to raise sizable equity funds from third parties without a discount to the prevailing Share price. In light of the above, we consider that conducting a fund raising exercise by way of Rights Issue with Subscription Price set at a discount to the Closing Price on the Last Trading Day is appropriate and reasonable as to promote the attractiveness of the Rights Issue

Rights Issue comparables analysis

To further assess the fairness and reasonableness of the terms of the Rights Issue, including the Subscription Price, we compared the Rights Issue to other rights issues conducted by other listed companies on the Stock Exchange. We reviewed rights issues of the companies listed on the Stock Exchange of Hong Kong based on the key selection criteria: (i) the initial announcement of the rights issue was published within the six months prior to the Last Trading Day (the “**Comparison Period**”); and (ii) the rights issues are either completed or not terminated as at the Latest Practicable Date. We consider that the Comparison Period is appropriate, fair and representative because (i) the selected rights issue exercises are considered for the purpose of taking a general reference for the recent market practice in relation to the rights issue exercise in the recent market conditions; and (ii) sufficient number of comparables were identified during the Comparison Period. Based on our research, we have identified an exhaustive list of 38 rights issue comparables (the “**Comparables**”) during the Comparison Period.

Although the Comparables differ from the Company in terms of principal activities, market capitalisation, profitability and financial position, and include underwritten rights issue transactions with varying bases of entitlement, we consider that the Comparables can provide a general reference to the pricing trend of recent rights issue transactions under the current market conditions as well as a sufficient sample size for comparison purpose, so as to determine whether the Subscription Price aligns with recent rights issue transactions in the market. We noted that the discount or premium of the subscription price to the benchmarked prices across the Comparables exhibits a wide range. We consider that this variation reflects the differences in individual company fundamentals, financial positions, share liquidity, market sentiment, and transaction structures. Notwithstanding such variation, we consider the Comparables to be fair and representative for assessing the Subscription Price, as they share key structural characteristics with the Rights Issue, including being announced by issuers listed on the Stock Exchange and involving pro-rata rights entitlements to existing shareholders. As such, no Comparable has been excluded from the analysis. We consider that the full set of Comparables collectively provides a meaningful reference to prevailing market practices. Based on our review of the announcements published on the Stock Exchange, all of the Comparables had either

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been completed or remained in progress as at the Latest Practicable Date, and none had been terminated.

As stated in the Letter of the Board, the Board considers that an attractive discount is necessary to encourage existing Shareholders to participate in the Rights Issue. In view of the continuing downward trend on the prices of the Shares and the thin trading volume throughout the Reference Period, the Directors consider that the terms of the Rights Issue, including the Subscription Price, are fair, reasonable and in the interests of the Company and the Shareholders as a whole. For our view on the Subscription Price, please refer to the Comparables analysis below.

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The following table sets forth the major terms of the Comparables:

Announcement date	Company	Stock code	Rights issue basis	Expected maximum gross proceeds HK\$' million	closing price on the last trading day	latest published trading day agreement	Premium/(discount) of the Subscription Price over/to the average closing price of the share over the last 5 consecutive trading days prior to/up to and including the last trading day					Theoretical dilution effect	Placing Commission	Excess application	Underwritten
							theoretical ex-rights price	asset value per share	theoretical ex-rights price	theoretical dilution effect	Commission				
09-Jul-26	Hong Kong Entertainment International Holdings Limited	8291	3 for 1	32.0	(4.76)%	(4.76)%	(1.23)%	Net liabilities	(1.23)%	3.57%	3.00%	No	No	No	No
24-Jun-26	Biosysen Limited	1355	1 for 2	40.0	(51.43)%	(50.44)%	(41.38)%	Net liabilities	(41.38)%	17.14%	1.50%	No	No	No	No
23-Jun-26	Imperium Technology Group Limited	776	1 for 2	42.6	(66.67)%	(67.24)%	(65.00)%	Net liabilities	(65.00)%	22.34%	3.00%	No	No	No	No
18-Jun-26	China Wood International Holding Co., Limited	1822	1 for 1	77.0	(43.80)%	(45.00)%	(28.03)%	5.48%	(28.03)%	22.42%	1.50%	No	No	No	No
18-Jun-26	CMON Limited	1792	3 for 1	150.5	(14.74)%	(19.80)%	(6.25)%	Net liabilities	(6.25)%	15.79%	2.50%	No	No	No	No
15-Jun-26	Asian Citrus Holdings Limited	73	3 for 1	61.7	(28.13)%	(31.62)%	(8.91)%	N/A	(8.91)%	23.86%	1.00%	No	No	No	No
05-Jun-26	Gaodi Holdings Limited	1676	1 for 2	25.0	(12.44)%	(12.44)%	(9.00)%	(51.90)%	(9.00)%	4.31%	Note 3	No	No	No	No
03-Jun-26	FDB Holdings Limited	1826	1 for 2	79.9	(20.60)%	(1.20)%	(14.80)%	Net liabilities	(14.80)%	6.90%	3.50%	No	No	No	No
26-May-26	Harbour Digital Asset Capital Limited	913	3 for 2	74.5	(19.10)%	(20.90)%	N/A	(84.40)%	N/A	12.80%	3.00%	No	No	No	No
21-May-26	Mog Digitech Holdings Limited	1942	1 for 2	44.6	(54.55)%	(56.08)%	(46.85)%	(90.05)%	(46.85)%	18.98%	1.00%	No	No	No	No
13-May-26	V&V Technology Holdings Limited	8113	1 for 2	32.7	1.12%	5.88%	0.67%	(29.91)%	0.67%	0.00%	N/A	Yes	Yes	No	No

Note 4

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Announcement date	Company	Stock code	Rights issue basis	Expected maximum gross proceeds HK\$ million	Premium/(discount) of the Subscription Price over/to the average closing price of the share over the last 5 consecutive trading days prior to/up to and including the last trading day of the latest published consolidated net asset value per share					Theoretical dilution effect	Placing Commission		Excess application	Underwritten
					closing price on the last trading day	day/date of agreement	asset value per share	ex-rights price	theoretical price		Note 1	Note 2	Note 3	
12-May-26	MTT Group Holdings Limited	2350	2 for 5	68.8	(64.29)%	(65.01)%	1.85%	(57.10)%	18.65%		2.20%	No	No	No
05-May-26	Citychamp Watch & Jewellery Group Ltd	256	1 for 3	145.1	31.60%	29.20%	(88.90)%	19.00%	0.00%		Note 5	1.50%	No	No
29-Apr-26	Minerva Group Holding Limited	397	1 for 2	43.3	(19.10)%	(17.70)%	(91.80)%	(12.60)%	8.50%		Note 6	3.50%	No	No
27-Apr-26	Tasty Concepts Holding Limited	8096	3 for 2	28.9	(16.70)%	(16.70)%	42.90%	(7.40)%	10.00%		3.00%	No	No	No
21-Apr-26	China Information Technology Development Limited	8178	1 for 2	10.3	(24.40)%	(25.60)%	(88.60)%	(8.10)%	9.50%		1.00%	No	No	No
17-Apr-26	Hong Wei (Asia) Holdings Company Ltd	8191	4 for 1	38.3	(16.13)%	(10.47)%	(85.43)%	(3.70)%	12.90%		1.00%	No	No	No
16-Apr-26	Pa Shun International Holdings Limited	574	1 for 2	10.0	(72.88)%	(69.04)%	Net liabilities	(64.18)%	24.29%		1.00%	No	No	No
27-Mar-26	China Health Technology Group Holding Company Limited	1069	2 for 1	51.5	(20.63)%	(19.35)%	(54.79)%	(7.98)%	13.76%		4.00%	No	No	No
26-Mar-26	Zhongshen Jianye Holding Limited	2503	2 for 1	341.3	(33.63)%	(35.18)%	(72.22)%	(14.45)%	23.45%		0.50%	No	No	No
25-Mar-26	Alco Holdings Limited	328	4 for 1	126.0	(20.30)%	(24.20)%	Net liabilities	(4.80)%	21.00%		1.50%	No	No	No
20-Mar-26	WT Group Holdings Limited	8422	2 for 1	24.0	(9.91)%	(10.39)%	(64.79)%	(3.57)%	6.58%		3.00%	No	No	No

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Announcement date	Company	Stock code	Rights issue basis	Expected maximum gross proceeds HK\$ million	Premium/(discount) of the Subscription Price over/to the average closing price of the share over the last 5 consecutive trading days prior to/up to and including the last trading day of the latest published consolidated net asset value per share					Theoretical dilution effect	Placing Commission		Excess application	Underwritten
					closing price on the last trading day	day/date of trading agreement	ex-rights price	theoretical price	share		Commission	application		
19-Mar-26	i century Holding Limited	8507	1 for 1	40.0	(47.37)%	(45.05)%	N/A	31.03%	N/A	23.68%	HK\$400,000	No	No	No
09-Mar-26	Hang Pin Living Technology Company Limited	1682	1 for 1	66.8	(27.97)%	(27.72)%	(22.73)%	(16.26)%	(22.73)%	13.98%	1.00%	No	No	No
06-Mar-26	Kingland Group Holdings Limited	1751	1 for 3	152.9	0.00%	(2.30)%	2,157.10%	(3.10)%	2,157.10%	1.00%	3.00%	No	No	No
05-Mar-26	Madison Holdings Group Limited	8057	3 for 2	45.4	(40.00)%	(39.10)%	(79.83)%	(21.10)%	(79.83)%	24.00%	2.00%	No	No	No
16-Feb-26	Xinning China Holdings Limited	2699	6 for 1	106.0	(20.00)%	(20.00)%	Net liabilities	N/A	Net liabilities	17.14%	2.00%	No	No	No
16-Feb-26	Mindell Technology Limited	8611	1 for 1	280.8	(40.60)%	(44.13)%	3,900.00%	(25.50)%	3,900.00%	21.70%	2.00%	No	No	No
11-Feb-26	Niu Holdings Limited	8619	2 for 1	30.9	(33.50)%	(35.90)%	(92.70)%	(21.10)%	(92.70)%	24.00%	1%	No	Yes	Yes
06-Feb-26	WLS Holdings Limited	8021	1 for 1	86.2	(40.00)%	(41.20)%	(77.10)%	(25.00)%	(77.10)%	21.60%	2.50%	No	No	No
05-Feb-26	Ta Yang Group Holdings Limited	1991	2 for 1	275.2	(2.44)%	(4.53)%	297.69%	(0.83)%	297.69%	4.80%	N/A	Yes	No	No
29-Jan-26	Add New Energy Investment Holdings Group Limited	2623	1 for 2	504.4	(37.66)%	(34.81)%	65.02%	N/A	65.02%	12.55%	N/A	Yes	No	No
27-Jan-26	Pacific Legend Group Limited	8547	1 for 2	29.6	26.58%	31.23%	4.09%	16.28%	4.09%	0.00%	2.00%	No	No	No

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Announcement date	Company	Stock code	Rights issue basis	Expected maximum gross proceeds HK\$ million	Premium/(discount) of the Subscription Price over/to the average closing price of the share over the last 5 consecutive trading days prior to/up to and including the last trading day of the latest published consolidated net asset value per share					Theoretical dilution effect	Placing Commission	Excess application	Underwritten
					closing price on the last trading day	closing price of the last trading day of the latest published consolidated net asset value per share	theoretical ex-rights price	theoretical dilution effect	theoretical dilution effect				
26-Jan-26	Kwan On Holdings Limited	1559	1 for 2	65.4	(17.65)%	(15.05)%	(12.50)%	5.88%			N/A	Yes	No
15-Jan-26	Shanghai International Shanghai Growth Investment Limited	770	3 for 8	4.5	(60.00)%	(60.00)%	(52.19)%	16.33%			Note 4	1%	No
14-Jan-26	Anchorstone Holdings Limited	1592	4 for 1	121.6	(42.86)%	(39.81)%	(8.57)%	24.00%			1.25%	No	No
14-Jan-26	Jutal Offshore Oil Services Limited	3303	1 for 6	56.9	(69.23)%	(69.35)%	(66.10)%	9.92%			1%	No	No
13-Jan-26	EPI (Holdings) Limited	689	2 for 1	198.2	(17.10)%	(21.57)%	(8.57)%	14.38%			1.80%	Yes	Yes
				Average Minimum Maximum	(27.67)% (72.88)% 31.60%	(27.30)% (69.35)% 31.23%	(17.12)% (66.10)% 31.03%	13.99% 0.00% 24.29%			1.92% 0.50% 4.00%		
10-Jul-26	The Company	8121	4 for 1	43.2	(24.41)%	(27.27)%	(6.01)%	22.40%				No	4.00%

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

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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. “Net liabilities” denotes that the subject company has net liabilities according to their respective latest published audited/unaudited consolidated financial statements and “N/A” denotes that such information not disclosed in the announcement.
2. “N/A” denotes that the announcement did not disclose such information.
3. The placing agent shall be paid HK\$100,000 or 1.00% of the gross proceeds, whichever is higher.
4. No Placing Agent was appointed for this rights issue exercise.
5. The placing agent shall be paid HK\$300,000 or 2.20% of the gross proceeds, whichever is higher.
6. The placing agent shall be paid HK\$300,000 or 1.50% of the gross proceeds, whichever is higher.
7. The placing agent shall be paid HK\$250,000 or 3.0% of the gross proceeds, whichever is higher.
8. The premium of the subscription price over the net asset value per share of this comparable is exceptionally high and considered an outlier (the “Outlier”), which is excluded in the relevant analysis of the maximum, minimum and average premium/discount accordingly.
9. The placing agent shall be paid HK\$85,000 or 1% of the gross proceeds, whichever is higher.
10. The amount was stated in US\$ and was converted to HK\$ using the exchange rate of US\$1.00 = HK\$7.84.

As set out in the table above, 34 out of 38 Comparables had discounted subscription price compared to the prevailing market price of the relevant shares before the relevant rights issue announcements were made. It demonstrates that it is not uncommon to set the subscription price of a rights issue at a discount to its prevailing market price in order to encourage the existing shareholders to participate in the rights issue. As shown in the above table, we note that:

- (i) the subscription price to the closing price on the respective last trading day of the Comparables ranged from a discount of 72.88% to a premium of 31.60%, with an average discount of 27.67%. The Subscription Price represents a discount of approximately 24.21% to the closing price of the Share on the Last Trading Day, which is within the range of that of the Comparables;
- (ii) the subscription price to the five-day average of the closing price on the respective last trading day of the Comparables ranged from a discount of 69.35% to a premium of 31.23%, with an average discount of 27.30%. The Subscription Price represents a discount of approximately 27.27% to the five-day average closing price of the Share on the Last Trading Day, which is within the range of that of the Comparables;

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- (iii) the subscription price to the net asset value per issued share of the Comparables (excluding the Outliers) ranged from a discount of 92.70% to a premium of 79.09%, with an average discount of 41.30%. The Subscription Price represents a discount of approximately 72.52% to the net asset value of the Company of approximately HK\$1.31 per Share, which is within the range of that of the Comparables. We further noted that the closing price of the Shares ranged from HK\$0.49 to HK\$1.07 per Share during the Review Period, representing discounts to the NAV per Share ranging from approximately 67.41% to approximately 22.57%. This indicated that the Shares had consistently traded at substantial discounts to the NAV per Share with limited liquidity throughout the Review Period, suggesting that investors may take into account factors other than the Group's net asset value when assessing the value of the Shares. Therefore, the discount of the Company's Subscription Price to the NAV per Share of approximately 72.52% is within the range of that of the Comparables and considered acceptable;
- (iv) the subscription price to the theoretical ex-rights price on the respective last trading day of the Comparables ranged from a discount of 66.10% to a premium of 31.03%, with an average discount of 17.12%. The Subscription Price represents a discount of approximately 6.01% to the theoretical ex-rights price of the Share on the Last Trading Day, which is within the range of that of the Comparables;
- (v) the theoretical dilution effect of the Comparables ranged from nil to 24.29%, with an average of approximately 13.99%. The theoretical dilution effect of the Rights Issue of approximately 22.40% is within the range of that of the Comparables; and
- (vi) the Rights Issue is on a non-underwritten basis, which is considered to be in line with market practice, given that 36 out of 38 Comparables were also conducted on a non-underwritten basis.

Having considered that (i) it is a common market practice for the companies listed on the Stock Exchange to set the subscription price of a rights issue at a discount to the market price in order to encourage the existing shareholders to participate in the Rights Issue; (ii) the discounts represented by the Subscription Price to the closing price on the Last Trading Day, the five-day average closing price and the theoretical ex-rights price per Share, the discount of the Subscription Price to the net asset value per issued Share, and the theoretical dilution effect of the Rights Issue all fall within the respective ranges of the Comparables, and the discount represented by the Subscription Price to the closing price of the Share on the Last Trading Day is comparable to the average discount of the Comparables to their respective closing prices on the last trading day; (iii) the trading volume of the Shares was generally thin during the Review Period; (iv) the Company has a need to raise funds for the reasons

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discussed above; (v) other alternative fund-raising methods may not be preferable to the Rights Issue for the reasons discussed above in this letter; and (vi) the interests of the Qualifying Shareholders will not be prejudiced by the discount of the Subscription Price, provided that they are offered an equal opportunity to participate in the Rights Issue and to take up their entitlements in full at the same price so as to maintain their respective shareholdings in the Company, we are of the view that the determination of the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Among the Comparables, we noted that 34 out of 38 Comparables exercise placing in their rights issues. As such, we consider that it is reasonable for rights issue to have placing arrangements.

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

On 10 July 2026 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure Placee(s), on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares. Extracted principal terms of the Placing Agreement are shown as follows:

Date	:	10 July 2026 (after trading hours of the Stock Exchange)
Issuer	:	The Company
Placing Agent	:	Yuet Sheung International Securities Limited

To the best of the Company's knowledge, information and belief, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placing Period	:	The period commencing from Monday, 14 September 2026 and ending at 6:00 p.m. on Friday, 18 September 2026 or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Placing.
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Commission : Subject to completion of the Placing taking place, the Company shall pay a placing commission of 4% of the actual gross proceeds from the subscription of the Unsubscribed Rights Shares and the ES Unsold Rights Shares under the Placing.

Placing Price : The placing price of the Unsubscribed Rights Shares and ES Unsold Rights Shares shall be not less than the Subscription Price.

The final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares and ES Unsold Rights Shares during the process of placement.

Further details of the Placing Agreement are set out in the section headed “Placing Agreement for the Unsubscribed Rights Shares and ES Unsold Rights Shares” in the Letter from the Board in the Circular. As stated in the Letter from the Board, the Placing Agent confirmed that it is independent of and not connected with the Company or any of its connected persons and is not a connected person of the Company.

The engagement between the Company and the Placing Agent in respect of the Unsubscribed Rights Shares and the ES Unsold Rights Shares was determined after arm’s length negotiation between the Placing Agent and the Company and is on normal commercial terms. In assessing the whether the Placing Agreement is on normal commercial terms, we have reviewed placing commission rates charged by placing agents in 38 Comparables. Based on our review, the placing commission rates under the Comparables ranged from 0.25% to 4.00%, with an average of approximately 1.92%. The Placing Commission rate of 4.00% is therefore the upper limit of the Comparables. Notwithstanding the above, we have discussed with the Directors the basis for determining the Placing Commission. We understand that the Directors considered a higher placing commission is necessary to incentivise the Placing Agent to procure placees for the Unsubscribed Rights Shares and the ES Unsold Rights Shares, particularly in light of the Group’s losses for the year ended 31 March 2025 and 2026, the relatively thin trading volume of the Shares, the size of the Rights Issue, and the challenging market conditions. Having considered the above factors and the fact that the terms of the Placing Agreement were determined after arm’s length negotiations between the Company and the Placing Agent, we concur with the Directors’ view that the Placing Commission is fair and reasonable and on normal commercial term.

According to Rule 10.31(1)(b) of the GEM Listing Rules, the Company will make arrangements to dispose of the Unsubscribed Rights Shares and ES Unsold

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Rights Shares by offering the Unsubscribed Rights Shares and ES Unsold Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the Rights Issue and there will be no excess application arrangements in relation to the Rights Issue.

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

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

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

6. Potential dilution effect

All the Qualifying Shareholders are entitled to subscribe for the Rights Shares. For those Qualifying Shareholders who take up their full provisional allotments under the Rights Issue, their shareholding interests in the Company will remain unchanged after the Rights Issue. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and the Excluded Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue. Qualifying Shareholders who do not accept the Rights Issue can, subject to the then prevailing market conditions, consider selling their nil-paid rights to subscribe for the Rights Shares in the market. It should be noted that the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including but not limited to the results of acceptance of the Rights Issue.

Having considered (i) the theoretical dilution effect of the Rights Issue falls within the range of those of the Comparables and is in compliance with Rule 10.44A of the GEM Listing Rules; (ii) Independent Shareholders are offered a chance to express their views on the terms of the Rights Issue through their votes at the EGM; (iii) all Qualifying Shareholders are offered an equal opportunity to participate in the enlargement of the capital base of the Company and Shareholders' interests in the Company will not be diluted if they elect to exercise their full provisional allotments under the Rights Issue; and (iv) the

Qualifying Shareholders have the opportunity to sell their nil-paid rights to subscribe for the Rights Shares in the market if they do not wish to take up the Rights Issue entitlements, we are of the view that the potential dilution effect on the shareholding is acceptable and justifiable.

7. Potential financial effects of the Rights Issue

(i) *Net tangible assets*

According to the “Unaudited pro forma financial information of the Group” as set out in Appendix II to this Circular, the audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2026 was approximately HK\$39.2 million. Immediately after the completion of the Rights Issue, the Group would have unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2026 of approximately HK\$79.6 million.

(ii) *Liquidity*

The estimated net proceeds from the Rights Issue are expected to enhance the Group’s current assets by approximately HK\$43.2 million. After deducting the estimated expenses in relation to the Rights Issue, the net proceeds are estimated to be up to approximately HK\$40.4 million, part of which are intended to be applied towards the repayment of Shareholder’s Loans. The Rights Issue is expected to improve the Group’s liquidity position immediately after completion.

Having considered the above, we are of the view that the overall financial impact to the Group upon completion of the Rights Issue is in the interests of the Company and the Shareholders. We draw attention to the Shareholders and the Independent Board Committee that the above analysis is for illustrative purpose only and does not purport to represent how the financial position of the Group will be upon completion of the Rights Issue.

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RECOMMENDATION

Having taken into consideration of the above factors and reasons, we are of the view and concur with the Directors' view that (i) the terms of the Rights Issue are on normal commercial terms and are fair and reasonable; and (ii) although the Rights Issue is not conducted in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we recommend (i) the Independent Board Committee to advise the Independent Shareholders; and (ii) the Independent Shareholders, to vote in favour of the relevant resolution(s) at the EGM to approve the Rights Issue and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Frontpage Capital Limited
Wu Man Kit
Director

Mr. Wu Man Kit is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Frontpage Capital Limited to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO. He has over 12 years of experience in corporate finance.

A. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the three years ended 31 March 2024, 2025 and 2026 are disclosed in the annual reports of the Company for the years ended 31 March 2024, 2025 and 2026. The said annual reports of the Company are published on both the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (<http://www.guruonline.com.hk>):

- annual report of the Company for the year ended 31 March 2024 from pages 81 to 159 published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0628/2024062803001.pdf>);
- annual report of the Company for the year ended 31 March 2025 from pages 81 to 161 published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/gem/2025/0630/2025063001804.pdf>); and
- annual report of the Company for the year ended 31 March 2026 from pages 88 to 169 published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/gem/2026/0630/2026063003749.pdf>).

B. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 June 2026, being the Latest Practicable Date prior to the printing of this Circular, and for the purpose of ascertaining the information contained in this statement of indebtedness and, the indebtedness of the Group is as follows:

Lease liabilities

The Group, as a lessee, had outstanding unpaid contractual lease liabilities of approximately HK\$3,794,000 relating to the remaining lease terms of right-of-use assets for office premises, and such liabilities are unsecured and unguaranteed. The weighted average incremental borrowing rates applied to lease liabilities range from 3.32% to 6.84%.

Amount due to a shareholder

The Group had an outstanding balance of amount due to a shareholder of HK\$2,350,000. The balance was non-trade in nature, unsecured, unguaranteed, interest-free and is repayable after 15 years from the date of maturity.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables, as at the close of the business on 30 June 2026, being the Latest Practicable Date for the purpose of this statement of indebtedness prior to printing of this Circular, the Group did not have any debt securities issued and outstanding, and authorised or otherwise created but unissued, indebtedness in the nature of borrowing of the Group including

bank overdrafts or liabilities under acceptances (other than normal trade bills) or hire purchase commitments, or outstanding mortgages and charges, or contingent liabilities or guarantees or liabilities not disclosed above in the statement of indebtedness.

C. WORKING CAPITAL STATEMENT

The Directors are of the opinion that, taking into consideration the Group's present financial resources and the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for its present requirements for at least the next twelve (12) months from the date of this circular.

D. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Company since 31 March 2026, being the date to which the latest published audited consolidated financial statements of the Company were made up.

E. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company is an investment holding company and the Group is principally engaged in the provision of integrated digital marketing services in Hong Kong.

The Group offers a range of integrated digital marketing services, including (i) social media management services; (ii) digital advertisement placement services; and (iii) creative and technology services.

It is foreseeable that the demand for Hong Kong clients will decrease due to the reallocation of advertising investment and budgets. This is primarily driven by shifts in consumer behavior, in which the pattern of mainland Chinese tourists spending in Hong Kong has transformed, with Hong Kong tourists now venturing north to mainland cities like Shenzhen for their consumption needs. At the same time, the Group is encountering increasing competition as barriers to in-house advertising creation and brand image marketing have decreased with the adoption of AI tools. This trend has led to cost reductions, with a growing number of clients opting to employ internal staff for their advertising and social media management needs. Furthermore, we foresee a continuous rise in labor costs and wages in the foreseeable future, adding to the operational challenges faced by businesses in our sector. The overall environment of the digital marketing industry continues to be volatile amid persistent slowdown in Hong Kong's retail market. Meanwhile, competition among peers is also very intense. Due to the continuous rising of staff cost and cost of services, coupled with the downgrading marketing budget from customers, the Group must enhance personal business capabilities while lowering the Company's operating expenses, thereby achieving cost reduction, increasing revenue, and sustaining market competitiveness. Therefore, the investment in AI technologies to enhance the Group's digital marketing business to maintain market competitiveness is essential.

In response to the above-mentioned market shifts and market environment, the Group has decisively deepened its strategic layout in Mainland China and accelerated its transformation toward smart marketing. In this regard, the Group has established “Shenzhen Guoen Information Consulting Co., Ltd.” in Shenzhen and formed an AI and research and development (“**R&D**”) team to specialize in artificial general intelligence and multi-agent collaboration technologies. The Group is committed to building automated smart marketing workflows to reduce costs and increase efficiency through technological empowerment. Meanwhile, the Group is actively revitalising its vast existing customer resources, extending smart marketing capabilities to traditional sales scenarios, and cultivating diversified growth engines.

Looking ahead, the Group will continue to execute its dual-wheel drive strategy of “integrating technology and industry.” On one hand, the Group will further increase investment in AI and R&D to build competitive barriers in smart marketing. On the other hand, the Group will drive our business deeper into industrial verticals, with a particular focus on high-potential sectors such as big health and new retail. The Group will actively explore upstream industry chain expansion through equity participation, joint ventures, or mergers and acquisitions to deeply bind core resources and create long-term, stable returns for shareholders.

The following is the text of the independent reporting accountant's assurance report, received from Asian Alliance (HK) CPA Limited, Certified Public Accountants, Hong Kong, the reporting accountant of the Company, in respect of the Unaudited Pro Forma Financial Information of the Group, prepared for the purpose of inclusion in this Circular.



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

To the Board of Directors of Guoen Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Guoen Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2026 and related notes (the “Unaudited Pro Forma Financial Information”) as set out in pages II-5 to II-7 of Appendix II to the circular issued by the Company dated 24 July 2026 (the “Circular”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in pages II-5 to II-7 of Appendix II to the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the basis of four rights shares for every one existing share held on the record date at the subscription price of HK\$0.36 per rights share, to raise up to approximately HK\$43.2 million before expenses by way of issuing up to 120,032,000 rights shares (the “Rights Issue”) on the Group’s financial position as at 31 March 2026 as if the Rights Issue had taken place at 31 March 2026.

As part of this process, information about the Group’s financial position has been extracted by the Directors from the consolidated financial statements of the Group for the year ended 31 March 2026, on which an annual report dated 17 June 2026 has been published.

Directors’ Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) and with reference to Accounting Guideline 7 “*Preparation of Pro Forma Financial Information for*

Inclusion in Investment Circulars” (“AG 7”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Our Independence and Quality Management

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

The firm applies Hong Kong Standard on Quality Management 1 (Revised) “*Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*”, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant’s Responsibilities

Our responsibility is to express an opinion, as required by paragraph 31(7) of Chapter 7 of the GEM Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “*Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 31 of Chapter 7 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

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

The purpose of Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Rights Issue on unadjusted financial information of the Group as if the Rights Issue had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue at 31 March 2026 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Rights Issue, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the Group, the Rights Issue in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

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

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and

- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Listing Rules.

Asian Alliance (HK) CPA Limited*Certified Public Accountants (Practising)***Lam Ho Kin**

Practising Certificate Number: P07407

8/F., Catic Plaza
8 Causeway Road
Causeway Bay
Hong Kong

24 July 2026

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

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company (the “Unaudited Pro Forma Financial Information”) has been prepared by the Directors in accordance with paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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, for the purpose of illustrating the effect of the rights issue on the basis of four rights shares (the “Rights Share(s)”) for every one existing share held on the record date at the subscription price of HK\$0.36 (the “Subscription Price”) per Rights Share, to raise up to approximately HK\$43.2 million before expense by way of issuing up to 120,032,000 Rights Shares (the “Rights Issue”), as if the Rights Issue had taken place on 31 March 2026.

The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2026, as extracted from the published annual report of the Group for the year ended 31 March 2026 dated 17 June 2026 after giving effect to the pro forma adjustments described in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2026 or at any future dates.

			Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Rights Issue as at 31 March 2026 HK\$'000 (Note 3)	Audited consolidated net tangible assets of the Group per share attributable to owners of the Company as at 31 March 2026 before the Rights Issue HK\$ (Note 4)	Unaudited pro forma adjusted consolidated net tangible assets of the Group per share attributable to owners of the Company as at 31 March 2026 after the completion of the Rights Issue HK\$ (Note 5)
	Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2026 HK\$'000 (Note 1)	Estimated net proceeds from the Rights Issue HK\$'000 (Note 2)			
Based on 120,032,000 Rights Shares to be issued at the Subscription Price of HK\$0.36 per Rights Share	39,210	40,412	79,622	1.31	0.53

Notes:

- (1) The audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2026 is calculated based on the audited consolidated net assets of the Group attributable to owners of the Company as at 31 March 2026 of approximately HK\$39,210,000, which is extracted from the published annual report of the Group for the year ended 31 March 2026 dated 17 June 2026.
- (2) The estimated net proceeds from the Rights Issue of approximately HK\$40,412,000 are based on 120,032,000 Rights Shares to be issued at the Subscription Price of HK\$0.36 per Rights Share, after the deduction of the estimated related expenses of approximately HK\$2,800,000.
- (3) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after the completion of the Rights Issue represents the audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2026 plus the net proceeds from the Rights Issue as set out in Note 2.
- (4) The calculation of the audited consolidated net tangible assets of the Group per share attributable to owners of the Company as at 31 March 2026 before the completion of the Rights Issue is based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2026 of approximately HK\$39,210,000 as set out in Note 1, divided by the number of shares in issue on 31 March 2026, i.e. 30,008,000 shares.

- (5) Unaudited pro forma adjusted consolidated net tangible assets of the Group per share attributable to owners of the Company as at 31 March 2026 immediately after the completion of the Rights Issue is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Rights Issue of approximately HK\$79,622,000 as set out in Note 3 divided by 150,040,000 shares which represents:
- (i) 30,008,000 shares in issue as at 31 March 2026; and
 - (ii) 120,032,000 Rights Shares to be issued, assuming no new shares (other than the Rights Shares) will be issued and no repurchase of shares on or before the completion of the Rights Issue and full subscription under the Rights Issue.
- (6) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2026.

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 this circular or any statement herein misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately after completion of the Rights Issue (assuming full subscription under the Rights Issue and no change in the number of Existing Shares in issue on or before the Record Date) are set out as follows:

(i) As at the Latest Practicable Date

HK\$

Authorised:

<u>10,000,000,000</u>	Ordinary Shares of HK\$0.01 each	<u>100,000,000</u>
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HK\$

Issued and fully paid:

<u>30,008,000</u>	Ordinary Shares of HK\$0.01 each	<u>300,080</u>
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- (ii) Immediately after completion of the Rights Issue (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date)

HK\$

Authorised:

<u>10,000,000,000</u>	Ordinary Shares of HK\$0.01 each	<u>100,000,000</u>
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HK\$

Issued and fully paid:

<u>150,040,000</u>	Ordinary Shares of HK\$0.01 each	<u>1,500,400</u>
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The Rights Shares, when allotted, issued and fully-paid, shall rank *pari passu* in all respects with the Shares then in issue. Holder of the Rights Shares in their fully-paid form will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares.

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

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

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

3. DISCLOSURE OF INTERESTS

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

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

Interest in Shares

Name of Director/ Chief Executive	Nature of interest	Number of Shares interested	Approximate percentage of issued share of capital of the Company (Note 1)
Mr. Yin Di	Beneficial owner	7,476,500 (L) (Note 2)	24.92%
Mr. Liu Liping	Beneficial owner	416,500 (L)	1.39%
Ms. Wan Wai Ting ("Ms. Karin Wan")	Interests held jointly with another person (Note 3)	400 (L)	0.0013%
	Interest in controlled corporation (Note 4)	100 (L)	0.0003%
Mr. Ng Chi Fung ("Mr. Jeff Ng")	Interests held jointly with another person (Note 3)	100 (L)	0.0003%
	Beneficial owner	400 (L)	0.0013%

Notes:

- (1) The shareholding percentage in the Company is calculated on the basis of 30,008,000 Shares in issue as at the Latest Practicable Date.
- (2) The letter “L” denotes a long position in the Shares.
- (3) Mr. Yip Shek Lun (“**Mr. Alan Yip**”), Ms. Karin Wan, Mr. Jeff Ng and Ms. Wang Lai Man (“**Ms. Liza Wang**”) are persons acting in concert and accordingly each of them is deemed to be interested in the Shares held by the others. By a deed of confirmation and undertaking entered into among Mr. Alan Yip, Mr. Jeff Ng, Ms. Karin Wan and Ms. Liza Wang dated 2 January 2014 (the “**Acting in Concert Confirmation and Undertaking**”), each of Mr. Alan Yip, Ms. Karin Wan, Mr. Jeff Ng and Ms. Liza Wang confirmed that, *inter alia*, they had exercised their voting rights at the meetings of the shareholders and/or directors of members of the Group in unanimity since 1 April 2011 and had undertaken to continue to do so upon the execution of the Acting in Concert Confirmation and Undertaking and during the period they (by themselves or together with their associates) remain in control of the Group until the Acting in Concert Confirmation and Undertaking is terminated by them in writing.
- (4) These Shares are held by Cooper Global Capital Limited (“**Cooper Global**”), which is owned as to 50.00% by Mr. Alan Yip and 50.00% by Ms. Karin Wan. By virtue of the SFO, Mr. Alan Yip and Ms. Karin Wan are deemed to be interested in the Shares held by Cooper Global. Mr. Alan Yip is the spouse of Ms. Karin Wan.

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 the 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 it is known to the Directors or chief executive of the Company, no person (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.

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 2026, the date to which the latest published audited accounts of the Group were made up.

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

5. DIRECTORS' SERVICE CONTRACTS

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

6. COMPETING INTERESTS

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

7. LITIGATION

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

8. MATERIAL CONTRACTS

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

- (i) the placing agreement dated 21 August 2025 entered into between the Company and Yuet Sheung International Securities Limited as the placing agent in relation to the placing of up to 5,000,000 new Shares at the placing price of HK\$0.60 per placing Share; and
- (ii) the Placing Agreement.

9. EXPERTS AND CONSENTS

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

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

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

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

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

10. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, placing commission (assuming the Rights Issue is not fully-subscribed and any Unsubscribed Rights Shares and ES Unsold Rights Shares are placed by the Placing Agent), printing, registration, translation, legal and accountancy charges are estimated to be up to approximately HK\$2.80 million, which are payable by the Company.

11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Board of Directors*Executive Directors*

Mr. Yin Di

Mr. Liu Liping

Mr. Wang Lei

Ms. Wan Wai Ting

Non-executive Director

Mr. Ng Chi Fung

Independent non-executive Directors

Ms. Fu Hongzhi

Mr. Bian Wencheng

Mr. Wen Zefeng

Audit committeeMs. Fu Hongzhi (*Chairlady*)

Mr. Bian Wencheng

Mr. Wen Zefeng

Nomination committeeMs. Fu Hongzhi (*Chairlady*)

Mr. Bian Wencheng

Mr. Liu Liping

Remuneration committeeMr. Wen Zefeng (*Chairman*)

Ms. Fu Hongzhi

Mr. Liu Liping

Registered office

Windward 3, Regatta Office Park

P.O. Box 1350

Grand Cayman KY1-1108

Cayman Islands

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

Unit 1201 & 16, 12/F

Two Harbour Square

No. 180 Wai Yip Street

Kwun Tong, Hong Kong

Authorised representatives

Mr. Liu Liping

Mr. Yuen Sing Wai Lester

**Business address of all Directors and
authorised representatives**

Unit 1201 & 16, 12/F

Two Harbour Square

No. 180 Wai Yip Street

Kwun Tong, Hong Kong

Company secretary	Mr. Yuen Sing Wai Lester Member of the Hong Kong Institute of Certified Public Accountants
Hong Kong branch share registrar and transfer office	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal banker	Hang Seng Bank Limited 83 Des Voeux Road Central Hong Kong
Reporting accountant	Asian Alliance (HK) CPA Limited <i>Certified Public Accountants (Practising)</i> 8/F Catic Plaza 8 Causeway Bay Road Causeway Bay Hong Kong
Legal adviser to the Company as to Hong Kong laws	Charles Wilson LLP Unit 1601, 100QRC Queen's Road Central Central Hong Kong
Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders	Frontpage Capital Limited 26/F, Siu On Centre 188 Lockhart Road Wan Chai Hong Kong
Placing Agent	Yuet Sheung International Securities Limited Unit 2704, 27/F Shun Tak Centre West Tower 168–200 Connaught Road Central Sheung Wan, Hong Kong

12. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Yin Di (尹迪), aged 40, was appointed as an executive Director on 10 February 2023 and has been holding this position since then. Mr. Yin worked in the personnel section

of Beijing Haiwei Industry and Trading Co., Ltd*. (北京海威貿有限公司), primarily responsible for the employment management, business and performance evaluation of the company, as well as the external liaison and operation of the company. Since 2017, Mr. Yin founded Zhongmin Guoen Industrial Group Co., Ltd. (“**Zhongmin Guoen**”), a comprehensive industry group which puts the concept of “One Health” at its core, while integrating different businesses, including agricultural technology refining, research and development of food and medicine, and the promotion of new energy resources and new materials.

Mr. Yin is currently the managing director of Zhongmin Guoen, responsible for leading the future business development of Zhongmin Guoen. He is also primarily responsible for the nationwide expansion and operation of Zhongmin Guoen’s “One Health” core business. Mr. Yin has served as an executive director of APAC Chenghua (Beijing) Investment Fund Management Co., Ltd.* (亞太誠華(北京)投資基金管理有限公司) (“**APAC Chenghua**”) since 2020. APAC Chenghua specializes in private equity investments in the field of medical care and “One Health”. Mr. Yin is primarily responsible for the operational planning of the company, leading the negotiation and review of its project investments. Mr. Yin studied in the Beijing Institute of Economics and Management from March 2008 to July 2010 with an associate degree in finance and securities. He then continued his studies in the Communication University of China from March 2011 to July 2013 and graduated with a bachelor’s degree in journalism in July 2013. He was appointed as the chairman and chief executive officer of the Company with effect from 20 October 2023. For further details of change of chairman and chief executive officer of Mr. Yin, please refer to the Company’s announcement dated 20 October 2023.

Mr. Yip Shek Lun (葉碩麟), aged 44, graduated from The Chinese University of Hong Kong in Hong Kong in December 2004, with a degree of bachelor of business administration. From July 2004 to April 2006, Mr. Yip was the assistant account manager of Procter & Gamble Hong Kong Ltd, a consumer goods company. From May 2006 to April 2007, he worked as the marketing manager of La Souhait Cosmetic Limited, the principal business of which was the trading of cosmetic products, and was later appointed as its marketing director serving the Greater China region.

Mr. Yip resigned as the chairman and chief executive officer of the Company with effect from 20 October 2023. For further details of change of chairman and chief executive officer of Mr. Yip, please refer to the Company’s announcement dated 20 October 2023. He resigned as executive Director, an authorized representative, a member of remuneration committee and a member of nomination committee of the Company due to work adjustment with effect from 1 December 2025. For further details of resignation of Mr. Yip, please refer to the Company’s announcement dated 1 December 2025.

He has remained to serve as a director of AdBeyond Holdings Limited (“**AdBeyond BVI**”), AdBeyond (Group) Limited (“**AdBeyond HK**”), COMO Group Holding Limited (“**COMO BVI**”), Guru Online Hong Kong Limited (“**Guru HK**”), Guru Online (Group) Limited, (“**Guru BVI**”), Jovi Hannic Marketing Limited (“**Jovi HK**”), Tanzanite Online

Holding Limited (“**Jovi BVI**”), AdBeyond (Group) Pte. Limited (“**Guru PTE**”), AdBeyond Group (Macau) Limited (“**Guru Macau**”) and Glo Media Limited (formerly known as COMO Group Limited) (“**Glo Media HK**”); a supervisor of 廣州超帆信息科技有限公司 (AdBeyond (Group) Limited*) (“**AdBeyond GZ**”), and 南京高訊文化傳媒有限公司 (Nanjing Glo Media Limited*) (formerly known as 南京看團信息科技有限公司 (Nanjing Travel Information Technology Limited*)) (“**Glo Media NJ**”), respectively, all of which are wholly owned subsidiaries of the Company. In addition, Mr. Yip is a director of Cooper Global Capital Limited (“**Cooper Global**”) which is one of the controlling shareholders of the Company.

Ms. Wan Wai Ting (尹瑋婷), aged 44, was appointed as an executive Director on 6 February 2014 and has been holding this position since then. Ms. Wan is also one of the founders of the Group and one of the controlling shareholders of the Company. Ms. Wan is the chief creative director of AdBeyond HK, a wholly owned subsidiary of the Company. She is responsible for supervising our PRC business development and projects.

Ms. Wan obtained her degree of bachelor of business administration from The Chinese University of Hong Kong in Hong Kong in December 2004. From December 2004 to October 2006, she worked as the marketing executive of AOM Sun Ltd, the sole agent of CITIZEN electronic products, where she was responsible for liaising with advertising agencies, organising promotional activities and analysing marketing strategies.

Ms. Wan led the Group in winning several awards throughout the markets in Asia-Pacific and Hong Kong, such as the Marketing Magazine’s Marketing Events Award 2016 and the ROI Festival 2016.

Ms. Wan is also a director of AdBeyond BVI, AdBeyond HK, COMO BVI, Guru HK, Guru BVI, Guru PTE, Guru Macau, and Glo Media HK and the supervisor of AdBeyond GZ and Glo Media NJ, respectively, all of which are wholly-owned-subsidiaries of the Company. In addition, Ms. Wan is a director of Cooper Global which is one of the controlling shareholders of the Company.

Mr. Liu Liping (劉立平), aged 54, was appointed as an executive Director on 20 October 2023 and has been holding this position since then. He has been appointed as an authorized representative of the Company and a member of each of the nomination committee and the remuneration committee of the Board with effect from 1 December 2025. Mr. Liu possesses extensive experiences in back-office coordination. From 1996 to 1998, Mr. Liu worked as a staff member of Shandong Shifeng Group Company Limited* (山東時風(集團)有限責任公司) with duties mainly in respect of the back-office, for which he was responsible for marketing. He worked as a supervisor of Shandong Gaotang Lanshan Group Company* (山東省高唐藍山集團總公司) from 1999 to 2002, primarily responsible for marketing. He also worked as a supervisor of Shandong Liaocheng Province Dongchangfu District Grain and Oil Town Supply Company* (山東省聊城市東昌府區糧油供應總公司) from 2002 to 2017, for which he was responsible for personnel matters of the back-office. Since 2018 to date, Mr. Liu has been working as an office director of

Shandong Zhi Guang Steel Structure Co., Ltd.* (山東致廣鋼結構有限公司), primarily responsible for marketing. His expertise is marketing-related work in back-office business.

Mr. Wang Lei (王雷), aged 38, was appointed as an executive Director on 16 March 2026 and has been holding this position since then. Mr. Wang has over ten years of management experience in companies engaged in internet and technology businesses. From February 2014 to November 2015, he served as the chief executive officer of Beijing Qiyouquan Technology Company Limited* (北京球友圈網路科技有限責任公司), mainly responsible for promoting online booking systems with respect to different sports activities. From December 2015 to June 2021, Mr. Wang served as the general manager of Beijing Zhicai Technology Company Limited* (北京智裁科技有限公司) and was responsible for the company's overall management and research and development on products, such as pre-packaged food and smart electrical appliances. Since February 2022, Mr. Wang has successively served as co-chairman (subsequently re-designated to chairman), executive director, and chief executive officer of Zheng Li Holdings Limited (later renamed Guoen Holdings Limited, stock code: 08283.HK).

Mr. Wang obtained an Executive Master of Business Administration degree from Peking University and The University of Hong Kong in 2025.

Mr. Wang previously served as a senior executive at 58.com and Baidu, and is the founder of brands including EATTA, Qizuo* (契作), and Churen Yiliao, boasting multiple successful entrepreneurial ventures. He also excels in business model design and internet marketing, and has been honored multiple times as a pragmatic entrepreneur.

Non-executive Director

Mr. Ng Chi Fung (伍致豐), aged 44, was appointed as a Director on 10 January 2014 and was re-designated as an executive Director on 6 February 2014. He has been an executive Director since then until his re-designation to a non-executive Director with effect from 1 December 2025. Mr. Ng is also one of the founders of the Group and one of the controlling shareholders of the Company. Mr. Ng is primarily responsible for the overall business administration, sales and marketing and management of the Group.

Mr. Ng graduated from The Wharton School of Finance and Commerce at the University of Pennsylvania in the United States of America (the “**United States**”), with a degree of bachelor of science in economics majoring in finance and accounting in May 2004. Mr. Ng has successfully completed all three levels of the CFA Program organised by the CFA Institute in June 2006.

From August 2004 to December 2005, Mr. Ng worked in McKinsey & Company, a management consulting firm, as a business analyst. In June 2005, Mr. Ng founded a health care company, Home of the Elderly Consultancy Limited, which specialises in providing elderly home referral services to the elderly and their families and has been acting as its chairman and non-executive director since then. Mr. Ng was a non-executive director of

AMOS Enterprises Limited, a technology company which focuses on providing and developing innovative solutions on electrical, electronic and information technology. Mr. Ng is the 2014 president of Junior Chamber International Peninsula (Hong Kong), an international organisation for young professionals and entrepreneurs which aims to foster youngsters' leadership skills, social responsibility, enhance international friendship and build business network. Mr. Ng was a screening committee member of Hong Kong Business Angel Network, a non-profit making organisation with the mission to foster angel investment in Hong Kong.

Mr. Ng is also a director of AdBeyond BVI, AdBeyond HK, COMO BVI, Guru HK, Guru BVI, Jovi HK, Jovi BVI, Glo Media HK, iMinds Interactive Holdings Limited and iMinds Interactive Limited, respectively, all of which are wholly-owned subsidiaries of the Company.

Independent non-executive Directors

Mr. Bian Wencheng (邊文成), aged 73, was appointed as an independent non-executive Director with effect from 23 May 2023 and has been holding this position since then. He is a member of the audit committee and the nomination committee of the Board.

Mr. Bian has over 20 years of experiences in factory management, commercial insurance team management and the sales of insurance products. From 1980 to 2002, he had served as the factory director or legal representative of different enterprises respectively, where he was primarily responsible for administrative and management works. He passed the National Unified Examination for Enterprise Managers and Factory (Mine) Directors* (企業經理、廠(礦)長國家統一考試) in 1986.

Mr. Bian was the manager of China Taiping Life Insurance Company's sales department at Dalian Development Area from 2002 to 2012, where he was primarily responsible for the works of departmental administrative management and the sales of insurance products. During his tenure of office, he was accredited as the "Energetic Taiping Star"* (活力太平之星) in 2005, awarded the title of "Elite of Organizational Development"* (組織發展精英) in 2007, as well as awarded the title of "Dedicated Model"* (敬業標兵) in 2008 and he won the first place for standard premiums in the marketing department at Dalian Development Area* (大連開發區營業部標保第一名) in the same year.

Ms. Fu Hongzhi (付宏志), aged 59, was appointed as an independent non-executive Director on 8 August 2023 and has been holding this position since then. She is a member of the remuneration committee and the chairlady of the audit committee and nomination committee of the Board.

Ms. Fu graduated from Zhongnan University of Economics and Law* (中南財經政法大學), majoring in finance and accounting. She has more than 20 years of experience in

financial management. She is a member of the Chinese Institute of Certified Public Accountants since 2020. Ms. Fu worked in Beijing Broadcasting Equipment Factory from 1989 to 1998 as the leader of the analysis team. She served as the deputy director of the Finance Department of BOCO Group Holding Limited* (億陽集團股份有限公司) and its group from 1998 to 2017, responsible for financial planning, accounting processing, and financial budgeting. From 2017 to 2019, Ms. Fu Hongzhi served as the financial director of Beijing Huiyan Zhixing Technology Company Limited* (北京慧眼智行科技有限公司), and was fully responsible for formulating the company's financial goals and policies, establishing and improving the company's financial system and internal financial management, and reviewing financial statements.

Mr. Wen Zefeng (溫澤鋒), aged 42, was appointed as an independent non-executive Director on 1 December 2025 and has been holding this position since then. He is a member of the audit committee and the chairman of the remuneration committee of the Board.

Mr. Wen graduated with a Bachelor's degree in Information Technology Engineering from Huali College of Guangdong University of Technology* (廣東工業大學華立學院) in 2008.

Mr. Wen served at Shangling Information System (Shenzhen) Co., Limited* (商靈信息系統(深圳)有限公司) from February 2019 to February 2020 as a Product Manager. During this period, he was responsible for software requirement analysis, prototype design, and end-to-end testing processes. He led the development of multiple industry-specific solutions and collaborated with research and development teams to advance agile product development. Mr. Wen then worked at Shenzhen Quanmian Times Technology Co., Limited* (深圳全棉時代科技有限公司), from March 2020 to December 2022, as a Product Manager, where he was in charge of building the membership system platform, supporting operations for tens of millions of users, and spearheading iterative design for core systems.

Over the past decade, Mr. Wen has dedicated himself to the information technology sector, consistently exploring the potential of technology-driven business innovation. Through his extensive experience in product R&D and management, he has accumulated cross-industry expertise and remains committed to helping enterprises achieve sustainable growth through digital means.

Senior management

Mr. Tsang Wai Kit, Keith (曾瑋傑), aged 45, joined the Group in June 2012 as the Assistant Business Development Manager of AdBeyond HK and he is currently the Business Development Director of the Group. He is primarily responsible for the overall integrated strategic marketing planning to clients and overseeing and directing the business operation internally and ensuring that the Group achieves sustainable business's growth. He developed and implemented integrated marketing strategies to clients who targeted to grow business in China market.

Mr. Tsang graduated from Hong Kong Baptist University in 2006 and worked as a sales and marketing manager in electronic industry for 4 years.

Company Secretary

Mr. Yuen Sing Wai Lester is a fellow of the Hong Kong Institute of Certified Public Accountants. Mr. Yuen has more than twelve years of working experience in the fields of legal, accounting and compliance (the Sarbanes-Oxley Act, company secretarial and listing matters). He has gained his solid professionalism from senior and/or managerial positions in audit and assurance and advisory arms of two of the Big Four accounting firms and regional compliance office in an European multinational healthcare company dually listed on the New York Stock Exchange and the Frankfurt Stock Exchange. Mr. Yuen holds degrees in Bachelor of Laws and Bachelor of Commerce in Accounting with Distinction from the University of New South Wales.

13. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Company (the “**Audit Committee**”) comprised all of the independent non-executive Directors, namely Ms. Fu Hongzhi, Mr. Bian Wencheng and Mr. Wen Zefeng. The background, directorship and past directorship (if any) of each of the members of the Audit Committee are set out in the section headed “12. Particulars of the Directors and senior management” in this appendix. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group, making recommendations to the Board on the appointment, reappointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor, oversee the audit process and perform other duties and responsibilities as assigned by the Board.

14. DOCUMENTS ON DISPLAY

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

- (a) the letter of advice from the Independent Financial Adviser, the text of which is set out on pages 40 to 74 of this circular;
- (b) the accountant’s report on the unaudited pro forma financial information of the Group issued by Asian Alliance (HK) CPA Limited, the text of which is set out in Appendix II to this circular;
- (c) the material contracts referred to in the paragraph headed “8. Material contracts” of this appendix; and

- (d) the written consents referred to in paragraph headed “9. Experts and consents” of this appendix.

15. MISCELLANEOUS

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

Guoen Holdings Limited

國恩控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8121)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of Guoen Holdings Limited (the “**Company**”) will be held on Thursday, 13 August 2026 at 11:00 a.m. at Unit 1201 & 16, 12/F, Two Harbour Square, No. 180 Wai Yip Street, Kwun Tong, Hong Kong for considering and, if thought fit, passing, with or without amendments, the following resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**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 24 July 2026 (the “**Circular**”):
 - (a) the allotment and issue of up to 120,032,000 new Shares (assuming no change in the number of Shares in issue on or before the Record Date (as defined below) and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue) (the “**Rights Shares**”) pursuant to an offer by way of rights to the shareholders of the Company (the “**Shareholders**”) at the subscription price of HK\$0.36 per Rights Share (the “**Subscription Price**”) on the basis of four (4) Rights Shares for every one (1) Share held by the Shareholders whose names appear on the register of members of the Company on Tuesday, 25 August 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 (“**Qualifying Shareholders**”) whose addresses as of the Record Date are outside of Hong Kong (if any) to whom the Directors, based on the results of the enquiries made by the Company from such legal adviser(s) in the relevant jurisdiction(s) in respect of applicable local laws and regulations, consider it necessary or expedient not to offer the Rights Shares on account either of the legal restrictions under the laws of the relevant place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s) (the “**Excluded Shareholders**”), and on and subject to such terms and conditions as may be determined by the Directors (the “**Rights Issue**”), be and is hereby approved, confirmed and ratified;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) the placing agreement dated 10 July 2026 (the “**Placing Agreement**”) and entered into between the Company and Yuet Sheung International Securities Limited (a copy of which has been produced to the EGM marked “B” and signed by the chairman of the EGM for the purpose of identification), in relation to the placing of the Rights Shares not subscribed by the Qualifying Shareholders and/or the Rights Share(s) which would otherwise have been provisionally allotted to the Excluded Shareholder(s) in nil-paid form that has/have not been sold by the Company at the placing price of not less than the Subscription Price on a best effort basis, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (c) the board of Directors or a committee thereof be and is hereby authorised to allot and issue the Rights Shares pursuant to or in connection with the Rights Issue notwithstanding that the same may be offered, allotted or issued otherwise than pro rata to the existing Shareholders and, in particular, the Directors may make such exclusions or other arrangements in relation to any Excluded Shareholders, and to do all such acts and things or make such arrangements as it considers necessary, desirable or expedient to give effect to any or all other transactions contemplated in this resolution; and
- (d) any one or more Directors be and is/are hereby authorised to do all such acts, deeds and things, to sign and execute all such further documents or deeds and to take such steps as he/they may in his/their absolute discretion consider necessary, appropriate, desirable or expedient to carry out or to give effect to or in connection with the Rights Issue, the Placing Agreement and the transactions contemplated thereunder, and any one or more Directors and the registered office provider of the Company be and is/are hereby authorised to prepare and execute any relevant documents and attend to any necessary registration and/or filing for and on behalf of the Company with the Registrar of Companies of the Cayman Islands and any other relevant authority.”

By order of the Board
Guoen Holdings Limited
Yin Di

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 24 July 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.

NOTICE OF EXTRAORDINARY GENERAL MEETING

2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
3. To be valid, the instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours (i.e. 11:00 a.m. on Tuesday, 11 August 2026) before the time appointed for holding the Meeting or any adjournment thereof.
4. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution, except at an adjourned meeting 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 person whose name stands first in the register of members of the Company who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
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 Monday, 10 August 2026 to Thursday, 13 August 2026 (both days inclusive), during which period no transfer of shares will be effected. In order to establish the right to attend and vote at the Meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, 7 August 2026.
8. If tropical cyclone warning signal no. 8 or above is hoisted or a black rainstorm warning signal is in force at or after 8:00 a.m. on Thursday, 13 August 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. Yin Di, Mr. Liu Liping, Mr. Wang Lei and Ms. Wan Wai Ting; the non-executive Director is Mr. Ng Chi Fung; and the independent non-executive Directors are Ms. Fu Hongzhi, Mr. Bian Wencheng and Mr. Wen Zefeng.

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.

NOTICE OF EXTRAORDINARY GENERAL MEETING

This notice will remain on the Stock Exchange's website at www.hkexnews.hk on the "Latest Listed Company Information" page for at least 7 days from the date of its publication. This notice will also be published on the Company's website at www.guruonline.com.hk.