THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Zhejiang United Investment Holdings Group Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the 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

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.

联合控股

HK.08366

ZHEJIANG UNITED INVESTMENT HOLDINGS GROUP LIMITED
浙江聯合投資控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8366)

(1) PROPOSED CAPITAL REORGANISATION; (2) PROPOSED CHANGE IN BOARD LOT SIZE; (3) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) ADJUSTED SHARE HELD ON THE RECORD DATE ON A NON-FULLY UNDERWRITTEN BASIS; AND (4) CONNECTED TRANSACTION IN RELATION TO THE PLACING AGREEMENT AND THE UNDERWRITING AGREEMENT; AND (5) NOTICE OF EGM

Financial Adviser to the Rights Issue

英皇企業融資
Emperor Corporate Finance

Placing Agent and Underwriter to the Rights Issue

英皇證券
Emperor Securities

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

BALLAS CAPITAL

A letter from the Board is set out on pages 12 to 43 of this circular and a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages IBC-1 to IBC-2 of this circular. A letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages IFA-1 to IFA-26 of this circular.

It should be noted that the Shares will be dealt in on an ex-rights basis from Monday, 9 November 2026. Dealings in the Rights Shares in the nil-paid form will take place from Friday, 20 November 2026 to Friday, 27 November 2026 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or the Placing Agreement is terminated by the Placing Agent or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Friday, 20 November 2026 to Friday, 27 November 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 the EGM to be held at 908, 9/F, Gloucester Tower, 15 Queen's Road Central, Hong Kong at 11:00 a.m. on Wednesday, 28 October 2026 is set out on pages EGM-1 to EGM-5 of this circular. Whether you are able to attend the EGM or not, you are requested to complete the enclosed proxy form in accordance with the instructions printed on it and return the completed proxy form to the Hong Kong branch share registrar and transfer office of the Company, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event so that it is received at least 48 hours before the time appointed (i.e. by 11:00 a.m. on Monday, 26 October 2026) for the EGM or adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM, or any adjournment thereof (as the case may be), should you so wish.

The Rights Issue will proceed on a non-fully underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares and is subject to the fulfilment of conditions. Please refer to the section headed "Letter from the Board — Conditions of the Rights Issue" in this circular. In the event that the Rights Issue is not fully subscribed, the size of the Rights Issue will be reduced. Save for the Rights Shares undertaken to be subscribed by the Underwriter pursuant to the Irrevocable Undertaking and the Underwriting Agreement, there is no minimum subscription level or minimum amount to be raised under the Rights Issue. It should be noted that the Underwriting Agreement contains provisions granting the Underwriter the right in its absolute discretion to terminate the obligations of the Underwriter thereunder on the occurrence of certain events. Such events are set out in the section headed "Termination of the Underwriting Agreement" of this circular. If the Underwriting Agreement is terminated by the Underwriter or does not become unconditional, the Rights Issue will not proceed.

21 September 2026

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

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

CONTENTS

Pages

In this Circular, unless the context otherwise requires, the following terms shall have the following meaning:

"Accumulated Losses"	the accumulated losses of the Company as at the date of the Capital Reduction, if any
"Adjusted Shares"	ordinary share(s) of HK$0.01 each in the share capital of the Company immediately following the Capital Reorganisation becoming effective
"Announcement"	the announcement of the Company dated 29 July 2026 in relation to, among other things, the Capital Reorganisation and the Rights Issue
"associate(s)"	has the same meaning ascribed thereto under the GEM Listing Rules
"Board"	the board of Directors
"Business Day(s)"	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
"Capital Reduction"	the proposed reduction of the issued share capital of the Company whereby the nominal or par value of each Consolidate Share will be reduced from HK$0.2 to HK$0.01 by cancelling the paid-up capital to the extent of HK$0.19 on each issued Consolidated Share
"Capital Reorganisation"	the proposed capital reorganisation of the Company involving the Share Consolidation, the Capital Reduction, the Share Subdivision and the application of the credit arising from the Capital Reduction
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Companies Act"	Companies Act, Cap 22. (Law of 1961) of the Cayman Islands, as amended, modified and supplemented from time to time
"Company"	Zhejiang United Investment Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability and whose issued shares are listed on GEM (stock code: 8366)

"connected person(s)"	has the meaning ascribed to it in the GEM Listing Rules
"Consolidated Share(s)"	ordinary share(s) of HK$0.20 each of the Company immediately after the Share Consolidation becoming effective
"controlling shareholder"	has the same meaning ascribed thereto under the GEM Listing Rules
"Director(s)"	the director(s) of the Company
"Emperor Securities" or "Placing Agent" or "Underwriter"	Emperor Securities Limited, a licensed corporation carrying out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO, and the controlling shareholder of the Company
"Emperor Capital"	Emperor Capital Group Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (stock code: 717)
"Emperor Capital Group"	Emperor Capital and its subsidiaries
"EPCL"	Emperor Prestige Credit Limited, a fellow subsidiary of the Company and, as at the Latest Practicable Date, an indirect wholly-owned subsidiary of Emperor Capital. On 17 August 2026, a wholly-owned subsidiary of Emperor Capital entered into a sale and purchase agreement to dispose, among others, the entire equity interest in the holding company of Emperor Prestige Credit Limited, details of which were set out in the announcement of Emperor Capital dated 17 August 2026
"EGM"	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Capital Reorganisation, the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder
"Extreme Conditions"	extreme conditions including but not limited to serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons as announced by the government of Hong Kong
"Existing Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company prior to the Capital Reorganisation becoming effective
"GEM"	GEM operated by the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM

"General Rules of HKSCC"	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong 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 People's Republic of China
"Independent Board Committee"	the independent committee of the Board, comprising all independent non-executive Directors, namely Mr. Leung Tsun Ip, Ms. Lam Yuen Man Maria and Mr. Fu Yan Ming, which has been established in accordance with the GEM Listing Rules to give recommendation to the Independent Shareholders in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder respectively, and as to the voting action therefor
"Independent Financial Adviser" or "Ballas Capital"	Ballas 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 appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder
"Independent Shareholders"	(i) the Shareholders other than Emperor Securities and its associates; and (ii) all other Shareholders who are involved in or interested in (other than by being Shareholder) or have a material interest in the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder
"Independent Third Party(ies)"	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and the connected persons of the Company in accordance with the GEM Listing Rules

"Irrevocable Undertaking"	the irrevocable undertaking provided by Emperor Securities under the Underwriting Agreement as set out in the section headed "The Irrevocable Undertaking" in this circular
"Last Trading Day"	29 July 2026, being the last full trading day of the Shares on the Stock Exchange immediately preceding the publication of the Announcement
"Latest Practicable Date"	16 September 2026, being latest practicable date prior to the publication of this circular for ascertaining certain information herein
"Latest Time for Acceptance"	4:00 p.m. on Wednesday, 2 December 2026 (or such other time and date as the Company may determine), being the latest time and date for acceptance of and payment for the Rights Shares
"Latest Time for Placing Termination"	4:00 p.m. on Friday, 11 December 2026, or such other time or date as may be agreed between the Company and the Placing Agent in writing, being the latest time to terminate the Placing Agreement
"Latest Time for Underwriting Termination"	4:00 p.m. on Monday, 14 December 2026, or such other time or date as may be agreed between the Company and the Underwriter in writing, being the latest time to terminate the Underwriting Agreement
"Memorandum and Articles"	the amended and restated memorandum and articles of association of the Company
"Net Gain"	any premium over, the aggregate amount of (i) the Subscription Price for Unsubscribed Rights Shares and the NQS Unsold Rights Shares placed by the Placing Agent under the Placing Agreement; and (ii) the expenses of the Placing Agent (including any other related expenses/fees), under the Compensatory Arrangements
"No Action Shareholder(s)"	those Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renouncees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed

"Non-Qualifying Shareholder(s)"	the Overseas Shareholder(s) in respect of whom the Board, after making reasonable enquiries with the legal advisers in the relevant jurisdictions, considers it necessary or expedient not to offer the Rights Shares to such Overseas Shareholder(s) on account either of legal restrictions or prohibitions under the laws of the relevant jurisdictions or the requirements of the relevant regulatory body or stock exchange in such jurisdictions
"NQS Unsold Rights Shares"	the Rights Share(s) which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company
"Overseas Shareholder(s)"	the Shareholder(s) whose registered address(es) as shown in the register of members of the Company as at the close of business on the Record Date is/are outside Hong Kong
"PAL(s)"	the provisional allotment letter(s) for the Rights Shares to be issued to the Qualifying Shareholders in respect of their provisional entitlements under the Rights Issue
"Placing" or "Compensatory Arrangements"	the offer by way of private placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares on a best efforts basis by the Placing Agent, who and whose ultimate beneficial owners shall be Independent Third Party(ies), to the independent placee(s) after the Latest Time of Acceptance on the terms and subject to the conditions set out in the Placing Agreement
"Placing Agreement"	the placing agreement dated 29 July 2026 and entered into between the Company and the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares
"Placing Commission"	has the meaning ascribed to it under the section headed "Placing Agreement" in this circular
"Placing Period"	a period commencing from the first Business Day after the date of announcement of the number of the Placing Shares, which is expected to be Friday, 4 December 2026, and ending at 4:00 p.m. on Thursday, 10 December 2026, or such other dates as the Company may announce
"PRC"	The People's Republic of China which, for the purpose of this circular, excludes Taiwan, Hong Kong and the Macau Special Administrative Region

"Prospectus"	the prospectus (including any supplementary prospectus, if any) to be despatched to the Qualifying Shareholders (and the Non-Qualifying Shareholder(s) for information only) in connection with the Rights Issue
"Prospectus Documents"	the Prospectus and the PAL
"Prospectus Posting Date"	Wednesday, 18 November 2026, or such other date as the Company may determine, for the despatch of the Prospectus Documents
"Public Float Requirement"	the public float requirement under Rule 17.37B of the GEM Listing Rules
"Qualifying Shareholder(s)"	Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholder(s)
"Record Date"	Tuesday, 17 November 2026, or such other date as the Company may determine, being the date by reference to which entitlements of the Shareholders to participate in the Rights Issue will be determined
"Registrar"	Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, being the Company's share registrar and transfer office
"Rights Issue"	the proposed issue by way of rights of the Rights Shares to the Qualifying Shareholders on the basis of one (1) Rights Share for every one (1) Adjusted Share held on the Record Date at the Subscription Price
"Rights Share(s)"	up to 78,860,000 new Shares proposed to be offered to the Qualifying Shareholders for subscription by way of the Rights Issue
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
"Share Consolidation"	the proposed consolidation of every twenty (20) issued and unissued Existing Shares into one (1) Consolidated Share
"Share(s)"	the Existing Share(s) and/or the Consolidated Share(s), as the case may be

"Share Subdivision"	the proposed subdivision of each of the authorised but unissued Consolidated Shares of HK$0.2 each into twenty (20) authorised but unissued Adjusted Shares of HK$0.01 each
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	the subscription price of HK$0.36 per Rights Share under the Rights Issue
"substantial Shareholder(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Undertaken Shares"	39,600,000 Rights Shares, being the maximum number of Rights Shares for which Emperor Securities has undertaken to subscribe pursuant to the Irrevocable Undertaking
"Underwriting Agreement"	the underwriting agreement dated 29 July 2026 entered into between the Company and the Underwriter in relation to the Rights Issue
"Underwritten Shares"	39,090,000 Rights Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
"Unsubscribed Rights Shares"	the Rights Shares that are not subscribed by the Qualifying Shareholders
"%"	per cent.

All times stated in this circular refer to Hong Kong times and dates. Any changes to the anticipated timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

Events	**Date (2026)**
Latest time for lodging transfer of the Shares to qualify for attendance and voting at the EGM	4:00 p.m. on Wednesday, 21 October
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the EGM (both dates inclusive)	Thursday, 22 October to Wednesday, 28 October
Latest time for lodging proxy forms for the EGM	11:00 a.m. on Monday, 26 October
Record date for attendance and voting at the EGM	Wednesday, 28 October
Expected date and time of the EGM to approve the proposed Capital Reorganisation and Rights Issue	11:00 a.m. on Wednesday, 28 October
Announcement of the poll results of the EGM	Wednesday, 28 October
Register of members of the Company re-opens	Thursday, 29 October

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

Effective date of the Capital Reorganisation	Friday, 6 November
Commencement of dealings in the Adjusted Shares	9:00 a.m. on Friday, 6 November
Original counter for trading in Existing Shares in board lot of 10,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Friday, 6 November

Events	Date (2026)
Temporary counter for trading in the Adjusted Shares in board lot of 500 Adjusted Shares (in the form of existing share certificates) opens	9:00 a.m. on Friday, 6 November
First day of free exchange of existing share certificates for new share certificates for Adjusted Shares	Friday, 6 November
Last day of dealings in the Adjusted Shares on a cum-rights basis relating to the Rights Issue	Friday, 6 November
First day of dealings in the Adjusted Shares on an ex-rights basis relating to the Rights Issue	Monday, 9 November
Latest time for the Shareholders to lodge transfer documents of Adjusted Shares in order to be qualified for the Rights Issue	4:00 p.m. on Tuesday, 10 November
Closure of register of members to determine the entitlements to the Rights Issue (both dates inclusive)	Wednesday, 11 November to Tuesday, 17 November
Record date for the Rights Issue	Tuesday, 17 November
Expected despatch date of the Prospectus Documents (including the PAL and the Prospectus), and in case of the Non-Qualifying Shareholders, the Prospectus for information purpose only	Wednesday, 18 November
Register of members of the Company re-opens	Wednesday, 18 November
Original counter for trading in the Adjusted Shares in board lots of 5,000 Adjusted Shares (in the form of new share certificates) re-opens	9:00 a.m. on Friday, 20 November
Parallel trading in the Adjusted Shares (in the form of both existing share certificates in board lots of 500 Adjusted Shares and new share certificates in board lots of 5,000 Adjusted Shares) commences	9:00 a.m. on Friday, 20 November
Designated broker starts to stand in the market to provide matching services for odd lot of the Adjusted Shares	9:00 a.m. on Friday, 20 November

EXPECTED TIMETABLE

Events	Date (2026)
First day of dealings in nil-paid Rights Shares in the board lot size of 5,000 Rights Shares	Friday, 20 November
Latest time for splitting the PAL	4:00 p.m. on Tuesday, 24 November
Last day of dealings in nil-paid Rights Shares	Friday, 27 November
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the payment of Net Gain	4:00 p.m. on Wednesday, 2 December
Latest time for acceptance and payment for the Rights Shares	4:00 p.m. on Wednesday, 2 December
Announcement of the number of Unsubscribed Rights Share and NQS Unsold Rights Shares subject to Compensatory Arrangements	Thursday, 3 December
Commencement of placing of Unsubscribed Rights Share and NQS Unsold Rights Shares by the Placing Agent	Friday, 4 December
Designated broker ceases to provide matching services for odd lot of the Adjusted Shares	4:00 p.m. on Thursday, 10 December
Temporary counter for trading in the Adjusted Shares in board lot of 500 Adjusted Shares (in the form of existing share certificates) closes	4:10 p.m. on Thursday, 10 December
Parallel trading in the Adjusted Shares (in the form of both existing share certificates in board lots of 500 Adjusted Shares and new share certificates in board lots of 5,000 Adjusted Shares) ends	4:10 p.m. on Thursday, 10 December
Latest time of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Placing Agent	4:00 p.m. on Thursday, 10 December
Latest time for termination of the Placing Agreement	4:00 p.m. on Friday, 11 December
Last day for free exchange of existing share certificates for new share certificates for the Adjusted Shares	Monday, 14 December

Events	Date (2026)
Latest time for the termination of the Underwriting Agreement for the Rights Issue to become unconditional	4:00 p.m. on Monday, 14 December
Announcement of results of the Rights Issue (including the results of the Placing and the Net Gain)	Friday, 18 December
Despatch of share certificates for fully-paid Rights Shares and refund cheques (if any)	Monday, 21 December
Commencement of dealings in fully-paid Rights Shares (in the board lot size of 5,000 Rights Shares)	Tuesday, 22 December

Events	Date (2027)
Payment of Net Gain to relevant No Action Shareholders and Non-Qualifying Shareholders (if any)	Thursday, 7 January

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

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

(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, 2 December 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; or

(ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 2 December 2026. Instead, the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance of and payment for the Rights Shares does not take place on the currently scheduled date, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

联合控股
HK.08366

ZHEJIANG UNITED INVESTMENT HOLDINGS GROUP LIMITED
浙江聯合投資控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8366)

Executive Directors:
Mr. Choi Pun Lap

Independent Non-executive Directors:
Mr. Leung Chun Ip
Ms. Fu Yan Ming
Ms. Lam Yuen Man, Maria

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 A6-A, 12/F., Block A
Hong Kong Industrial Centre
489-491 Castle Peak Road
Lai Chi Kok
Kowloon
Hong Kong

21 September 2026

To the Shareholders

Dear Sir or Madam,

(I) PROPOSED CAPITAL REORGANISATION;
(II) PROPOSED CHANGE IN BOARD LOT SIZE;
(III) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) ADJUSTED SHARE HELD ON THE RECORD DATE ON A NON-FULLY UNDERWRITTEN BASIS; AND
(IV) CONNECTED TRANSACTION IN RELATION TO THE PLACING AGREEMENT AND THE UNDERWRITING AGREEMENT; AND
(V) NOTICE OF EGM

INTRODUCTION

Reference is made to the announcement of the Company dated 29 July 2026 in relation to, among other matters, the Capital Reorganisation, Change in Board Lot Size and the Rights Issue.

The purpose of this circular is to provide you with, among other things, (i) further details of the Capital Reorganisation, the Change in Board Lot Size and the Rights Issue; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from Ballas Capital to the Independent Board Committee and the Independent Shareholders on the Rights Issue; and (iv) a notice convening the EGM.

PROPOSED CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation which will involve the Share Consolidation, Capital Reduction and Share Subdivision as follows:

(i) the Share Consolidation whereby every twenty (20) issued and unissued Existing Shares of par value of HK$0.01 each will be consolidated into one (1) Consolidated Share of par value of HK$0.2 each;

(ii) the Capital Reduction immediately following the Share Consolidation whereby the nominal or par value of each Consolidate Share will be reduced from HK$0.2 to HK$0.01 by cancelling the paid-up capital to the extent of HK$0.19 on each issued Consolidated Share;

(iii) the Share Subdivision whereby immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of par value of HK$0.2 each will be subdivided into 20 Adjusted Shares of par value of HK$0.01 each; and

(iv) the credit arising from the Capital Reduction will be applied towards offsetting the Accumulated Losses. The balance of the credit (if any) after offsetting the Accumulated Losses will be transferred to a distributable reserve account of the Company which may be applied by the Company in any manner as permitted by all applicable laws and the Memorandum and Articles and as the Board considers appropriate.

As at the Latest Practicable Date, the authorised share capital of the Company is HK$20,000,000 comprising 2,000,000,000 Existing Shares of par value of HK$0.01 each, of which 1,577,200,000 Existing Shares have been issued and fully paid or credited as fully paid. Immediately following the Capital Reorganisation, the authorised share capital of the Company remain as HK$20,000,000 divided into 2,000,000,000 Adjusted Shares of par value of HK$0.01 each, and the aggregate nominal value of the issued share capital of the Company will be approximately HK$788,600 (assuming that no further Existing Shares are issued or repurchased from the Latest Practicable Date until the effective date of the Capital Reorganisation). Based on the number of the Existing Shares in issue as at the Latest Practicable Date, a credit of approximately HK$14,983,400 will arise as a result of the Capital Reduction.

Assuming no Existing Shares are issued or repurchased from the Latest Practicable Date, the share capital structure of the Company will be as follows:

	As at the Latest Practicable Date	Immediately after the Capital Reorganisation becoming effective
Authorised share capital	HK$20,000,000	HK$20,000,000
Par value per share	HK$0.01	HK$0.01
Number of authorised shares	2,000,000,000	2,000,000,000
Amount of issued share capital	HK$15,772,000	HK$788,600
Number of issued shares	1,577,200,000	78,860,000
Amount of unissued share capital	HK$4,228,000	HK$19,211,400
Number of unissued shares	422,800,000	1,921,140,000

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

The Adjusted Shares in issue immediately following the Capital Reorganisation becoming effective will rank *pari passu* in all respects with each other and the Capital Reorganisation will not result in any change in the relative rights of the Shareholders, save for any fractional Adjusted Shares which may arise. Any fractional entitlements of Adjusted Shares arising from the Share Consolidation that Shareholders may be entitled to, if any, will be aggregated and be dealt with for the benefit of the Company. Shareholders concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisor and may wish to consider the possibility of buying or selling Existing Shares in a number sufficient to make up an entitlement to receive a whole number of Adjusted Shares.

Other than the expenses to be incurred in relation to the Capital Reorganisation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Group.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon:

(i) the passing of the necessary resolution(s) by the Shareholders approving the Capital Reorganisation at the EGM;

(ii) the signing by the directors of the Company of a solvency statement in accordance with the requirements of the Companies Act;

(iii) registration by the Registrar of Companies in the Cayman Islands of a copy of the solvency statement and the minute containing the particulars required by the Companies Act with respect to the Capital Reduction; and

(iv) the Stock Exchange granting the listing of, and permission to deal in, the Adjusted Shares in issue and to be issued upon the Capital Reorganisation becoming effective.

The Capital Reorganisation will become effective when the conditions mentioned above are fulfilled.

None of the above conditions can be waived. As at the Latest Practicable Date, none of the above conditions have been fulfilled.

Odd lots arrangements and matching services

In order to alleviate the difficulties arising from the existence of odd lots of the Adjusted Shares arising from the Capital Reorganisation, the Company has appointed Emperor Securities Limited as agent to provide matching service, on a best efforts basis, to those Shareholders who wish to top up or sell their holding of odd lots of the Adjusted Shares. Shareholders who wish to take advantage of this facility should contact Mr. Eric Leung of Emperor Securities Limited at 23rd to 24th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong or at telephone number (852) 2919 2919 from 9:00 a.m. on Friday, 20 November 2026 to 4:00 p.m. on Thursday, 10 December 2026.

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

Exchange of share certificates

Subject to the Capital Reorganisation having become effective, Shareholders may, on or after Friday, 6 November 2026 and until Monday, 14 December 2026 (both days inclusive), submit the existing share certificates for the Existing Shares to the Registrar at Suites 3301-04, 33/F. Two Chinachem Exchange Square 338 King's Road, North Point, Hong Kong, in exchange, at the expense of the Company, for new share certificates for the Adjusted Shares. Thereafter, existing share certificates for Existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for Adjusted Shares at the expense of the Shareholders on payment of a fee of HK$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each existing share certificate cancelled or each new share certificate issued for Adjusted Shares (whichever is higher) but are not acceptable for trading, settlement and registration.

The new share certificates for the Adjusted Shares will be issued in another colour in order to distinguish them from the existing share certificate.

Listing and Dealings

Application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the Adjusted Shares arising from the Capital Reorganisation and all necessary arrangements will be made for the Adjusted Shares to be admitted into CCASS.

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

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

The Board considers that the Capital Reorganisation is beneficial to and in the interests of the Company and the Shareholders as a whole. Save for the Rights Issue, the Group has no other fundraising plan as of the Latest Practicable Date.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the Latest Practicable Date, the Existing Shares are traded on the Stock Exchange in board lot size of 10,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 10,000 Existing Shares to 5,000 Adjusted Shares, subject to and conditional upon the Capital Reorganisation becoming effective. For avoidance of doubt, the proposed Change in Board Lot Size is not subject to Shareholders' approval requirement.

Based on the closing price of HK$0.024 per Existing Share (equivalent to the theoretical closing price of HK$0.48 per Adjusted Share assuming the Capital Reorganisation has become effective) as at the Latest Practicable Date, (i) the market value of each board lot of 10,000 Existing Shares amounted to HK$240; (ii) the market value of each board lot of 10,000 Adjusted Shares would be HK$4,800; and (iii) the estimated market value of each board lot of 5,000 Adjusted Shares would be HK$2,400 on the assumption that the Change in Board Lot Size has also become effective.

The Change in Board Lot Size will not result in any change in the relative rights of the Shareholders.

REASONS FOR THE CAPITAL REORGANISATION AND CHANGE IN BOARD LOT SIZE

Under Rule 17.76 of the GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK$0.01 or HK$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. Further, the "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated in June 2026 has further stated that (i) market price of the shares at a level less than HK$0.1 each will be considered as trading at extremity as referred to Rule 17.76 of the GEM Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK$1,000.00.

As at the Latest Practicable Date, based on the closing price of HK$0.024 per Existing Share, the value of each board lot of 10,000 Existing Shares is HK$240. The Existing Shares had been consistently traded at below the level of HK$1,000 per board lot during the past twelve months immediately preceding the Latest Practicable Date. During the past twelve months immediately preceding the Latest Practicable Date, the closing price of the Existing Shares ranged between HK$0.020 per Existing Share, being the closing price on 31 July 2026, 6, 7, 10, 11, 21 and 28 August 2026, and HK$0.041 per Existing Share, being the closing price on 27 November 2025. Based on the existing board lot size of 10,000 Existing Shares, the corresponding board lot value ranged from HK$200 to HK$410.

The Company has considered alternative ratios for the Share Consolidation with reference to the historical trading prices and market performance of the Shares. The Board notes that the lowest closing price of the Shares during the past twelve months immediately preceding the Latest Practicable Date was HK$0.020 per Existing Share. Having considered the historical volatility and trading range of the Shares, the Board is of the view that adopting a lower consolidation ratio may not result in a sufficiently meaningful increase in the trading price of the Shares and may provide only a limited buffer against future market fluctuations. Accordingly, the Board believes that the proposed Share Consolidation would provide an appropriate increase in the trading price of the Shares and reduce the likelihood that the Company may need to undertake further share consolidation exercises in the foreseeable future, which could otherwise result in additional professional fees and administrative expenses being incurred by the Company.

In light of the above, the Board considers that the Share Consolidation is appropriate in order to bring about a corresponding upward adjustment in the trading price per Share and to facilitate the Company's compliance with the trading-price requirement under the GEM Listing Rules. Based on the closing price of HK$0.021 per Existing Share as quoted on the Stock Exchange on the Last Trading Day, the adjusted closing price would be HK$0.42 per Adjusted Share upon the Capital Reorganisation becoming effective.

The Existing Shares are currently traded in board lots of 10,000 Existing Shares. Upon the Capital Reorganisation becoming effective, a board lot of 10,000 Existing Shares will become 500 Adjusted Shares. Assuming that a Qualifying Shareholder holding one board lot of Existing Shares takes up his/her/its full entitlement under the Rights Issue on the basis of one (1) Rights Share for every one (1) Adjusted Share held on the Record Date, such Qualifying Shareholder will hold 1,000 Adjusted Shares.

The Board has considered different possible board lot sizes and considers that the proposed Change in Board Lot Size from 10,000 Existing Shares to 5,000 Adjusted Shares is appropriate, as it is expected to maintain the value per board lot at a reasonable level and above HK$1,000.00, taking into account the prevailing market price of the Shares and the expected market price of the Adjusted Shares. The Board further considers that the Capital Reorganisation and the Change in Board Lot Size will reduce the overall transaction and handling costs of dealing in the Adjusted Shares, including those fees which are charged with reference to the number of board lots.

Although the Change in Board Lot Size may result in odd lots of Adjusted Shares for certain Shareholders, the Company will procure an arrangement with an agent to provide matching services for sale and purchase of odd lots of Adjusted Shares on a best effort basis. Further details of the odd lot matching arrangements were set out in the section headed "odd lots arrangements and matching services" in this circular.

Following the Share Consolidation, the nominal value of each Consolidated Share will be HK$0.20. The Capital Reduction and the Share Subdivision will reduce the nominal value of each Adjusted Share to HK$0.01, thereby providing the Company with greater flexibility in the pricing of any future issue of new Shares.

The credit arising from the Capital Reduction will enable the Company to set off its Accumulated Losses. The balance of the credit (if any) after offsetting the Accumulated Losses will be transferred to a distributable reserve account of the Company which may be applied by the Company in any manner as permitted by all applicable laws and the Memorandum and Articles and as the Board considers appropriate. It will give greater flexibility to the Company to declare dividends and/or to undertake any corporate exercise which requires the use of distributable reserves in the future, subject to the Company's performance and when the Board considers that it is appropriate to do so in the future.

The Capital Reorganisation and the Change in Board Lot Size will not result in any change in the relative rights of the Shareholders. The Board considers that the Capital Reorganisation and the Change in Board Lot Size are beneficial to and in the interests of the Company and the Shareholders as a whole. Save for the Rights Issue, as at the Latest Practicable Date, the Company has no intention to carry out other corporate actions in the twelve months immediately following the completion of the Capital Reorganisation, which may have an effect of undermining or negating the intended purpose of the Capital Reorganisation.

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

The Company proposes, subject to the Capital Reorganisation becoming effective, to implement the Rights Issue on the basis of one (1) Rights Share for every one (1) Adjusted Share held on the Record Date at the Subscription Price of HK$0.36 per Rights Share, to raise up to approximately HK$28.39 million before expenses (assuming no change in the issued share capital of the Company on or before the Record Date, and all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full) by way of the rights issuing up to 78,860,000 Rights Shares (assuming as aforesaid) to the Qualifying Shareholders.

Issue statistic

Basis of the Rights Issue	:	one (1) Rights Share for every one (1) Adjusted Share held on the Record Date
Subscription Price	:	HK$0.36 per Rights Share (after the Capital Reorganisation has become effective)
Net Subscription Price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	HK$0.33 per Rights Share
Number of Existing Shares in issue as at the Latest Practicable Date	:	1,577,200,000 Existing Shares
Number of Adjusted Shares in issue upon the Capital Reorganisation becoming effective	:	78,860,000 Adjusted Shares (assuming no change in the number of Shares in issue on or before the date on which the Capital Reorganisation became effective)
Number of Rights Shares	:	(Assuming the Capital Reorganisation has become effective and no further issue of Shares or repurchase of Shares on or before the Record Date) up to 78,860,000 Rights Shares, representing 100% of the Company's issued number of Adjusted Shares as at the Latest Practicable Date and approximately 50% of the enlarged issued share capital of the Company upon completion of the Rights Issue.
Gross proceeds and net proceeds	:	Assuming no change in the issued share capital of the Company on or before the Record Date, and all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full: Gross proceeds: up to approximately HK$28.39 million Net proceeds (after deducting the estimated expenses): up to approximately HK$26.00 million
Aggregate nominal value of the Rights Shares	:	Up to HK$788,600

As at the Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

Non-fully underwritten basis

The Rights Issue will proceed on a non-fully underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Unsubscribed Rights Shares together with the NQS Unsold Rights Shares will be placed to independent placees under the Compensatory Arrangements on a best efforts basis. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will be taken up by the Underwriter to an extent pursuant to the Underwriting Agreement and the remaining Rights Shares (if any) will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. For avoidance of doubt, the number of Untaken Rights Shares to be subscribed for by the Underwriter will be scaled down to such number that the Underwriter will hold 75% of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue. The remaining Untaken Rights Shares subject to such scale-down will not be issued.

There is no minimum amount to be raised under the Rights Issue. There are no statutory requirements regarding minimum subscription levels in respect of the Rights Issue.

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

Subscription Price

The Subscription Price is HK$0.36 per Rights Share, which shall be payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents (assuming the Capital Reorganisation has become effective as at the Latest Practicable Date and there is no change in the number of Shares in issue from the Latest Practicable Date to the Record Date other than the Capital Reorganisation):

(i) a discount of approximately 14.3% to the theoretical closing price of HK$0.420 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the closing price of HK$0.021 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) a discount of approximately 25.0% to the theoretical closing price of HK$0.480 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the closing price of HK$0.024 per Existing Share as quoted on the Stock Exchange on the Latest Practicable Date;

(iii) a discount of approximately 21.1% to the theoretical average closing price of approximately HK$0.420 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) for the five (5) previous consecutive trading days prior to the Last Trading Day based on the average closing price of HK$0.021 as quoted on the Stock Exchange;

(iv) a discount of approximately 25.0% to the theoretical average closing price of approximately HK$0.480 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) for the thirty (30) consecutive trading days up to and including the Last Trading Day based on the average closing price of HK$0.024 as quoted on the Stock Exchange;

(v) a discount of approximately 14.3% to the theoretical benchmarked price of HK$0.420 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the benchmarked price of HK$0.021 per Existing Share;

(vi) a discount of approximately 7.7% to the theoretical ex-rights price of approximately HK$0.390 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the benchmark price of HK$0.021 per Existing Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the closing price on the Last Trading Day of HK$0.021 per Existing Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of the Placing Agreement and the Underwriting Agreement of approximately HK$0.021 per Existing Share);

(vii) a premium of approximately HK$0.702 over the unaudited consolidated net liabilities value per Adjusted Share of approximately HK$0.342 (based on the unaudited consolidated net liabilities value as at 30 April 2026 of approximately HK$26.97 million and the total number of Adjusted Shares immediately upon the Capital Reorganisation becoming effective); and

(viii) a theoretical dilution effect (as defined under of the GEM Listing Rules) represented by a discount of approximately 7.1%, represented by the theoretical diluted price of approximately HK$0.390 per Adjusted Share to the benchmarked price of approximately HK$0.420 per Adjusted Share (as defined under the GEM Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK$0.021 per Existing Share and the average of the closing prices of the Existing Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the Last Trading Day of HK$0.021 per Existing Share, and also the effect of the Capital Reorganisation).

The Subscription Price was determined with reference to (i) the prevailing market conditions; (ii) the prevailing market prices of the Shares; (iii) the current financial position of the Group; and (iv) the amount of funds the Company intends to raise under the Rights Issue.

As regards the prevailing market price and recent trading performance of the Shares, the Board reviewed the daily closing price and daily trading volume of the Shares during the twelve months immediately preceding the Last Trading Day (the "**Review Period**"). During the Review Period, the closing price of the Shares fluctuated within a range of HK$0.021 to HK$0.045 per Share, with the closing price of HK$0.021 per Share on the Last Trading Day. The average daily trading volume of the Shares during the Review Period amounted to approximately 448,286 Shares, representing approximately 0.028% of the total number of issued Shares. The Board considered that the relatively low level of trading volume indicated limited liquidity and demand for the Shares in the market. Having regard to the prevailing trading price and the subdued trading liquidity of the Shares, the Board considered that a meaningful discount to the prevailing market price of the Shares was necessary and appropriate in order to enhance the attractiveness of the Rights Issue and encourage the Qualifying Shareholders to participate in the Rights Issue.

As regards the latest business performance and financial position of the Group, as at 30 April 2026, the Group recorded net liabilities of approximately HK$27.0 million and total liabilities of approximately HK$92.6 million. In addition, the Subscription Price of HK$0.36 per Rights Share represents a premium of approximately HK$0.702 over the audited consolidated net liabilities value per Share of approximately HK$0.342 (after taking into account the Capital Reorganisation) as at 30 April 2026. The Board considered that, given the Group's net liabilities position and its ongoing funding requirements, it was necessary to set the Subscription Price at a level that would maximise the participation of the Qualifying Shareholders in the Rights Issue.

The Board considers that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK$0.330 (assuming that there is no change in the issued share capital of the Company from the date of the Latest Practicable Date until the Record Date).

Qualifying Shareholders

To qualify for the Rights Issue, a Shareholder must be registered as a Shareholder at the close of business on the Record Date and not be a Non-Qualifying Shareholder. In order to be registered as Shareholder at the close of business on the Record Date, all transfers of the Adjusted Shares (together with the relevant share certificate(s) and/or instrument(s) of transfer) must be lodged with the Registrar at Suites 3301-04, 33/F. Two Chinachem Exchange Square 338 King's Road, North Point, Hong Kong, by 4:30 p.m. on Tuesday, 10 November 2026.

It is expected that the last day of dealings in the Adjusted Shares on a cum-rights basis is Friday, 6 November 2026, and the Adjusted Shares will be dealt with on an ex-rights basis from Monday, 9 November 2026.

Subject to the Capital Reorganisation becoming effective and the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date and will despatch the Prospectus only (without the PAL) to the Non-Qualifying Shareholder for their information only.

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

Rights of Overseas Shareholders (if any)

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

As at the Latest Practicable Date, based on the register of members of the Company, there was one Overseas Shareholder, with registered addresses situated in the People's Republic of China, holding 2,000 Shares representing approximately 0.0001% of the issued share capital of the Company.

In compliance with Rule 17.41(1) of the GEM Listing Rules, the Company has make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any). The Company has been advised by its legal adviser of PRC that under the applicable legislations of PRC, there is no legal or regulatory prohibition or restriction or requirement of any regulatory body or stock exchange with respect to extending the Rights Issue to the Overseas Shareholders in such relevant jurisdiction. Accordingly, the Rights Issue is extended to the Overseas Shareholder(s) having registered addresses in PRC and such Overseas Shareholder(s) are regarded as Qualifying Shareholders.

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

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold 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, will be paid pro rata (but rounded down to the nearest cent) to the Non-Qualifying Shareholders in Hong Kong dollars, except that the Company will retain individual amounts of less than HK$100 for its own benefit.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 17.41(1) of the GEM Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

Closure of register of members

The register of members of the Company will be closed from Wednesday, 11 November 2026 to Tuesday, 17 November 2026 (both days inclusive) for determining the Shareholders' entitlements to the Rights Issue. No transfer of the Adjusted Shares will be registered during the above book closure periods.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every one (1) Adjusted Share in issue and held by the Qualifying Shareholders 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.

Fractional entitlements to the Rights Shares

On the basis of one (1) Rights Share for every one (1) Adjusted Share held on the Record Date, no fractional entitlement will arise under the Rights Issue.

Status of the Rights Shares

The Rights Shares, when allotted and issued, 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 after the date of allotment of the Rights Shares in their fully-paid form.

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

The Company will make arrangements described in Rule 10.31(1)(b) of the GEM Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue.

Accordingly, on 29 July 2026 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares during the Placing Period to placee(s) who and whose ultimate beneficial owner(s) are Independent Third Party(ies) on a best efforts basis. Any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis.

The Placing Agent will, on a best efforts basis, procure, by not later than 4:00 p.m. on Thursday, 10 December 2026, placees for all (or as many as possible) of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will be taken up by the Underwriter to an extent pursuant to the Underwriting Agreement and the remaining Rights Shares (if any) 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 relevant No Action Shareholders and Non-Qualifying Shareholders as set out below on pro-rata basis (but rounded down to the nearest cent):

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

(ii) the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders or Non-Qualifying Shareholders become entitled on the basis described above to an amount of:

(i) more than HK$100, the entire amount will be paid to the relevant No Action Shareholders or Non-Qualifying Shareholders in Hong Kong Dollars only; or

(ii) HK$100 or less, such amount will be retained by the Company for its own benefit.

Placing Agreement

Details of the Placing Agreement are summarised as follows:

Date	:	29 July 2026
Issuer	:	The Company

Placing Agent	:	Emperor Securities was appointed as the Placing Agent to procure, on a best efforts basis, placees to subscribe for the Unsubscribed Rights Shares and NQS Unsold Rights Shares during the Placing Period. Emperor Securities is a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO. As at the Latest Practicable Date, Emperor Securities holds 792,000,000 Existing Shares (or 39,600,000 Adjusted Shares upon the Capital Reorganisation becoming effective), representing approximately 50.2% of the existing issued share capital of the Company. Therefore, Emperor Securities is a connected person to the Company.
Placing Period	:	The period commencing from the second Business Day after the Latest Time for Acceptance and ending at 4:00 p.m. on the sixth Business Day after the Latest Time for Acceptance.
Commission and expenses	:	Subject to completion of the Placing, the Company shall pay to the Placing Agent a placing commission in Hong Kong dollars, of 2.0% of the amount which is equal to the placing price multiplied by the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares that have been successfully placed by the Placing Agent, with minimum charge of HK$100,000, pursuant to the terms of the Placing Agreement.
Placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares	:	The placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares shall be not less than the Subscription Price and the final price determination will be depended on the demand for and the market conditions of the Unsubscribed Rights Shares and NQS Unsold Rights Shares during the process of placement.
Placees	:	The Unsubscribed Rights Shares and NQS 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 will take appropriate steps to ensure that sufficient public float be maintained in compliance with Rule 17.37B of the GEM Listing Rules.

Ranking of the placed Unsubscribed Rights Shares and NQS Unsold Rights Shares	:	The placed Unsubscribed Rights Shares and NQS Unsold Rights Shares (when allotted, issued and fully paid, if any) shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of completion of the Rights Issue.
Conditions of the Placing Agreement	:	The obligations of the Placing Agent under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled: (i) the Capital Reorganisation becoming effective; (ii) the Company's warranties contained in the Placing Agreement remain true and accurate and not misleading in all material respects at all time prior to the date of completion of the Rights Issue; and (iii) the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares. None of the above conditions precedent are capable of being waived by the parties to the Placing Agreement. As at the Latest Practicable Date, none of the above conditions precedent has been fulfilled. In the event that the above condition precedents have not been fulfilled on or before the Latest Time for Placing Termination (or such later date as may be agreed between the parties thereto in writing), all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing (save for any antecedent breaches thereof prior to such termination).

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

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

(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 absolute opinion, would affect the success of the Placing; or

(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 absolute opinion any such new law or change may affect the business or financial prospects of the Group and/or the success of the Placing; or

(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 absolute 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 of the Rights Issue 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.

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

In considering the Placing Commission, the Company reviewed 80 comparable rights issues (the "**Comparables**") based on the following criteria: (i) rights issues conducted by companies listed on the Stock Exchange; and (ii) rights issues that have issued prospectus during the Review Period. Among the Comparables, 58 issuers made arrangements to dispose of the securities not subscribed by allottees under provisional letters of allotment or their renouncees by offering the securities to independent placees for the benefit of persons to whom they were offered by way of rights, and the placing commissions ranged from 0.20% to 5.00%. The placing agents in 56 of such Comparables were independent third parties of the respective issuers, while the placing agents in 2 were the wholly-owned subsidiary of the respective issuers. Accordingly, despite the Placing Agent is a connected person of the Company, the Directors considered the Placing Commission is fair and reasonable and on normal commercial terms as the Placing Commission of 2.0% fall within the respective ranges of the Comparables.

As explained above, the Rights Shares that are not accepted by the Qualifying Shareholders, together with the Rights Shares that the Non-Qualifying Shareholders are entitled to under the Rights Issue, will be placed by the Placing Agent to Independent Third Parties on a best efforts basis for the benefits of the No Action Shareholders and Non-Qualifying Shareholders. If all or any of the Unsubscribed Rights Shares and NQS Unsold Rights Shares are successfully placed, any Net Gain will be distributed to the relevant No Action Shareholders and Non-Qualifying Shareholders. Any NQS Unsold Rights Shares and/or Unsubscribed Rights Shares that are not placed by the Placing Agent and not taken up by the Underwriter will not be issued by the Company. As at the Latest Practicable Date, the Placing Agent has not identified any Placee(s).

The Directors considered that the Compensatory Arrangements are fair and reasonable and provide adequate safeguard to protect the interests of the Company's minority Shareholders since the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to the Company; (ii) an additional channel of participation in the Rights Issue for independent Qualifying Shareholders and the Non-Qualifying Shareholders; and (iii) a compensatory mechanism for the No Action Shareholders and Non-Qualifying Shareholders.

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, 21 December 2026. Refund cheques in respect of wholly or partially unsuccessful applications for Rights Shares, or if the Rights Issue does not proceed, are expected to be despatched on or before Monday, 21 December 2026 to the applicants without interest to their registered addresses by ordinary post at their own risks.

Application for listing of the Rights Shares

The Company will apply to the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares in the board lot of size of 5,000 Rights Shares, in both their nil-paid and fully-paid forms. None of the Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, the Rights Shares will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

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 CCASS and CCASS Operational Procedures in effect from time to time.

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.

Irrevocable Undertaking from Emperor Securities

As at the Latest Practicable Date, Emperor Securities holds 792,000,000 Existing Shares (or 39,600,000 Adjusted Shares upon the Capital Reorganisation becoming effective), representing approximately 50.2% of the existing issued share capital of the Company. Pursuant to the Irrevocable Undertaking, Emperor Securities has unconditionally and irrevocably undertaken to the Company, among other things, that (i) it will not sell or transfer such Shares before the Latest Time for Acceptance or the termination of the Rights Issue; and (ii) it will accept a total of 39,600,000 Rights Shares, being its full entitlements to the provisional allotment under the Rights Issue.

THE UNDERWRITING AGREEMENT

The Rights Shares will be non-fully underwritten by the Underwriter in accordance with the terms of the Underwriting Agreement as described below.

Underwriting Agreement

Date	:	29 July 2026
Issuer	:	The Company
Underwriter	:	Emperor Securities is a company incorporated in Hong Kong with limited liability which is principally engaged in securities brokerage. Emperor Securities is a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO. As at the Latest Practicable Date, Emperor Securities holds 792,000,000 Existing Shares (or 39,600,000 Adjusted Shares upon the Capital Reorganisation becoming effective), representing approximately 50.2% of the existing issued share capital of the Company. Therefore, Emperor Securities is a controlling shareholder of the Company. As such, the Underwriter complies with Rule 10.24A(2) of the GEM Listing Rules.

Number of Rights Shares underwritten by the Underwriter	:	Emperor Securities has (in addition to its obligations under the Irrevocable Undertaking) conditionally agreed to underwrite the 39,090,000 Rights Shares not taken up under the Compensatory Arrangements (rounded down to the nearest whole number), being the maximum number of Rights Shares which Emperor Securities may be required to take up under the Underwriting Agreement without resulting in the aggregate shareholding of Emperor Securities and parties acting in concert with it, together with the Shares already held by Emperor Securities and the Undertaken Shares, exceeding 75% of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue.
Commission and expenses	:	3.0% of the aggregate subscription amount in respect of Underwritten Shares

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter by reference to the financial position of the Group, the size of the Rights Issue, the current and expected market condition and the prevailing market rate. In considering the underwriting commission, the Company also reviewed the Comparables. Among the Comparables, 14 rights issues were underwritten (either fully-underwritten, non-fully underwritten or underwritten on a best efforts basis) and the underwriting commissions ranged from 0% to approximately 7.07%. The underwriters in 9 of such Comparables were licensed corporations under the SFO for Type 1 regulated activity and independent third parties of the respective issuers, while the underwriters in the remaining 5 Comparables were connected persons of the respective issuers, being controlling shareholder or substantial shareholder of the respective issuers and therefore a connected person of the respective issuers. Accordingly, despite the Underwriter is a connected person of the Company, it is also a licensed corporation under the SFO for Type 1 regulated activity and the underwriting commission of 3.0% falls within the range of the Comparables. As the entering into the Underwriting Agreement with Emperor Securities, together with the Irrevocable Undertaking, indicated its support for the Rights Issue as a controlling Shareholder and the terms of the Underwriting Agreement (including the commission rate) are comparable to the Comparables, the Directors consider that the terms of the Underwriting Agreement including the commission rate are fair and reasonable so far as the Company and the Shareholders as a whole are concerned and the Company did not approach an independent underwriter for the Rights Issue.

Emperor Securities was appointed as the Placing Agent and the Underwriter having regard to its relevant experience and resources, its long-standing and established business relationship with the Company and its willingness to support the Rights Issue. The Company did not approach any independent placing agent for the Rights Issue. Having also considered that the terms of the Placing Agreement and the Underwriting Agreement were negotiated on an arm's length basis and the respective commission rates are within the range of recent market comparables, the Board considers the appointment of Emperor Securities to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Having considered that (i) the Placing Commission, the minimum placing charge and the underwriting commission fall within the respective ranges of recent comparable rights issue transactions; (ii) the Placing is conducted on a best-efforts basis, the placing price shall not be less than the Subscription Price, and the placees and their respective ultimate beneficial owners shall be Independent Third Parties; (iii) the Underwriter assumes an underwriting commitment in respect of up to 39,090,000 Underwritten Shares; and (iv) the other principal terms of the Placing Agreement and the Underwriting Agreement, including their respective conditions and termination provisions, are customary in nature, in line with normal market practice and not less favourable to the Comparables, the Board consider that the terms of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Termination of the Underwriting Agreement

If prior to the Latest Time for Underwriting Termination, one or more of the following events or matters shall develop, occur, arise, exist or come into effect:

(i) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever after the signing of Underwriting Agreement;

(ii) any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing, before and/or after the signing of the Underwriting Agreement and/or continuing after the signing of the Underwriting Agreement) of a social, political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets;

(iii) any material adverse change after the signing of the Underwriting Agreement in the business or in the financial or trading position of any member of the Group;

(iv) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, act of terrorism, strike or lock-out;

(v) the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange whether due to exceptional financial circumstances or otherwise;

(vi) any change or any development involving a prospective change or any event or circumstance likely to result in a change or development involving a prospective change, in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the People's Republic of China or other jurisdiction relevant to any member of the Group and a change in currency conditions for the purpose of this paragraph includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs;

(vii) the Circular and/or the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the GEM Listing Rules or the Takeovers Code or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company in compliance with the GEM Listing Rules;

(viii) any order or petition for the winding up of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or a scheme of arrangement entered into by any member of the Group or any resolution for the winding-up of any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group;

(ix) any litigation, dispute, legal action, arbitration, proceeding or claim of any third party being threatened or instigated again any member of the Group;

(x) a creditor takes possession of all or a material part of the business or asset of any member of the Group or any execution or other legal process is enforced against all or a material part of the business or assets of any member of the Group and is not discharged within (7) days or such longer period as the Underwriter may approve; or

(xi) any breach of any of the warranties or undertakings or any omission to observe any of the obligations or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter,

which, individually or in aggregate, in the absolute opinion of the Underwriter:

(a) has had or is/are likely to have a material adverse effect on the business or financial or trading position or prospects of the Group as a whole;

(b) is/are likely to have a material adverse effect on the success of the Rights Issue or the level of the Rights Shares "taken up"; or

(c) make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Underwriting Termination, to terminate the Underwriting Agreement.

Any such notice shall be served by the Underwriter prior to the Latest Time for Underwriting Termination.

If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. A further announcement would be made by the Company if the Underwriting Agreement is terminated by the Underwriter.

Conditions of the Rights Issue

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

(i) the passing of all necessary resolutions by the Independent Shareholders to be proposed at the EGM for approving the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder;

(ii) the Capital Reorganisation becoming effective;

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

(iv) following registration, the posting of the Prospectus Documents to the Qualifying Shareholders and the Prospectus only (without the PAL) to the Non-Qualifying Shareholder for their information only and the publication of the Prospectus on the website of the Stock Exchange on or before the Prospectus Posting Date;

(v) the grant of listing of the Rights Shares (in both nil-paid and fully paid forms) by the Stock Exchange (either unconditionally or subject only to the allotment and despatch of the share certificates in respect thereof) and the grant of permission to deal in the nil-paid Rights Shares and the fully-paid Rights Shares by the Stock Exchange (and such permission and listing not subsequently having been withdrawn or revoked);

(vi) the Placing Agreement not having been terminated in accordance with the provisions thereof, including force majeure events;

(vii) the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms and conditions; and

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

None of the above conditions precedent can be waived. If any of the above conditions are not satisfied at or before the Latest Time for Underwriting Termination, the Rights Issue will not proceed.

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

The Company and its subsidiaries have been engaged in undertaking slope works, foundation works and other general building works.

Intended use of proceeds from the Rights Issue

The Company intends to apply the net proceeds from the Rights Issue of approximately HK$26.00 million as follows:

(i) not less than approximately HK$18.20 million, representing 70% of the net proceeds, will be applied towards partial repayment of the outstanding indebtedness due to EPCL, a fellow subsidiary of the Company. The indebtedness represents advances made by EPCL to the Company, together with interest accrued thereon. As at 31 July 2026, the outstanding principal amount was approximately HK$17.6 million and, together with accrued interest, the total outstanding balance was approximately HK$23.5 million. The outstanding loan balances bore interest at 12% per annum and were repayable on demand. The Company intends to utilise the relevant net proceeds to partially repay the outstanding principal amount and accrued interest thereon upon completion of the Rights Issue, or as soon as practicable thereafter. The Group intends to repay the remaining amount of the outstanding principal and accrued interest thereon with its internal resources subject to the then financial position of the Group.

(ii) the remaining net proceeds, will be applied as general working capital of the Group, including principally (a) staff costs and directors' remuneration; (b) rental, rates, management fees and other office-related expenses; (c) professional fees and other administrative expenses; and (d) other day-today operating expenses of the Group. The Company currently expects that such proceeds will be utilised within twelve months after completion of the Rights Issue.

Current financial position of the Group

The indebtedness represents advances made by EPCL, a fellow subsidiary of Emperor Securities the controlling shareholder of the Company, and a subsidiary of Emperor Capital, the ultimate holding company of the Company, to the Group for its general working capital and operational needs. Drawdowns under the facilities were made from time to time having regard to the Group's operational cash-flow requirements. Emperor Capital has entered into an agreement to dispose of its entire interest in EPCL (the "**EPCL Disposal**"). Upon completion of the EPCL Disposal, EPCL will cease to be a fellow subsidiary of Emperor Securities and will no longer form part of the Emperor Capital Group.

The advances have principally been used to finance the Group's working capital, including payments to subcontractors and suppliers and other operating expenses incurred in the ordinary course of its construction business. The Group's construction business is working-capital intensive, as there may be a timing difference between payments made to subcontractors and suppliers and the receipt of progress payments and retention monies from customers. In addition, the Group may need to maintain financial resources for the provision of performance bonds and to satisfy the relevant working-capital requirements applicable to its public-works contractor registrations.

EPCL has not issued any demand for repayment of the indebtedness as at the Latest Practicable Date. Having regard to its position as a fellow subsidiary of Emperor Securities within the Emperor Capital Group and its understanding of the Group's business operations and working-capital needs, EPCL has historically provided financial support to the Group on a long-term basis. The Company and

EPCL have maintained communications regarding the indebtedness and the Group's financial position in the ordinary course. No repayment notice, demand letter or enforcement action has been issued by EPCL in respect of the indebtedness as at the Latest Practicable Date. Notwithstanding that EPCL has not demanded repayment, the Directors consider it prudent for the Group to use part of the net proceeds from the Rights Issue to reduce the indebtedness, thereby reducing the Group's interest burden and reliance on shareholder funding.

The proposed repayment amount is intended to be applied first towards the outstanding principal amount and thereafter towards accrued interest. Based on the indebtedness of approximately HK$23.5 million as at 31 July 2026, the proposed repayment would substantially repay the outstanding principal and partially settle the accrued interest, with the remaining balance expected to be approximately HK$5.3 million, subject to adjustment for interest accrued up to the actual repayment date.

The Directors consider that it would not be in the interests of the Company to apply all available financial resources towards full settlement of the indebtedness immediately after completion of the Rights Issue. The Group needs to retain sufficient cash resources for its ordinary-course operating requirements, including payments to subcontractors and suppliers, project-related expenditure, potential performance-bond requirements and the maintenance of adequate working capital for its existing and potential projects.

The Company will continue to discuss with EPCL an appropriate repayment arrangement for the remaining balance, taking into account the Group's cash-flow position, operating needs and future business development. As at the Latest Practicable Date, no fixed timetable has been agreed for full settlement of the remaining balance. EPCL has not demanded immediate repayment of the remaining balance.

In light of the above, the Directors consider that the Group has a funding need to conduct the Rights Issue, notwithstanding its cash balance as at 30 April 2026. The Rights Issue proceeds will enable the Group to reduce a substantial portion of its indebtedness to EPCL without materially impairing the cash resources required for its operations. A reduction of the indebtedness will reduce the Group's financing costs and improve its capital structure.

The need for additional equity funding should also be considered in the context of the Group's liquidity position. As at 30 April 2026, the Group recorded net current liabilities of approximately HK$26.9 million and net liabilities of approximately HK$27.0 million. The Group also incurred a loss attributable to owners of the Company of approximately HK$5.2 million for the year ended 30 April 2026. In addition, as disclosed in the annual report of the Company for the year ended 30 April 2026, the independent auditor has issued an unmodified audit opinion with a material uncertainty related to going concerns, indicating that, in the independent auditor's opinion, a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Further, the Group operates in the construction sector, where the availability of working capital directly affects its ability to undertake projects. The Group is required to make payments to subcontractors and suppliers before receiving payments from customers in certain circumstances, and may be required to provide performance bonds in connection with project contracts. The Directors consider that retaining adequate cash for operational and project requirements, while reducing the shareholder indebtedness through the Rights Issue, is a more balanced and prudent approach than utilising the existing cash balance to repay the indebtedness in full.

Consideration of other fund-raising alternatives and benefits of the Rights Issue

The Directors have considered alternative financing methods, including bank borrowings, other debt financing and placing or other equity fundraising exercises.

Additional debt financing was not considered an appropriate principal alternative because the Group already has a material amount of indebtedness, and further borrowings would increase its finance costs and financial leverage. The Group's current liquidity position and operating environment may also adversely affect the availability, terms and cost of external debt financing. The Directors also considered other equity fundraising alternatives, including a placing. However, a placing would generally be offered to a limited group of investors and may result in immediate dilution to existing Shareholders who are not able to participate. In contrast, the Rights Issue provides all Qualifying Shareholders with an equal opportunity to maintain their respective proportional interests in the Company by subscribing for their entitlements.

The Directors therefore consider that the Rights Issue is an appropriate and fair fundraising method for the Company, as it enables the Company to raise equity capital, reduce its indebtedness and interest burden, and provide Qualifying Shareholders with the opportunity to participate on a pro-rata basis.

The Rights Issue will provide the Group with new equity capital and allow it to apply approximately HK$18.2 million towards partial repayment of the indebtedness due to EPCL. This will reduce the Group's indebtedness, reduce the continuing accrual of interest on the amount repaid and improve the Group's capital structure, while preserving part of the Group's existing cash resources for its working-capital and operational needs.

The Group's business requires adequate working capital because of the timing differences between payments to subcontractors and suppliers and receipts from customers, possible performance-bond requirements and the need to maintain sufficient financial resources for its contractor qualifications and project tendering. The Group's financial position as at 30 April 2026, including its net current liabilities and net liabilities, further supports the need to strengthen its capital base.

The Rights Issue is also conducted on a pro-rata basis, allowing Qualifying Shareholders to subscribe for their entitlements and, subject to their participation, maintain their proportionate shareholdings in the Company. Having considered the above factors, the Directors are of the view that the Rights Issue represents an appropriate and prudent means of strengthening the Group's financial position and supporting its ongoing operations.

The Directors (including the independent non-executive directors) consider that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

Expected use of the Company's existing cash balance

As at 30 April 2026, the Group had cash and cash equivalents of approximately HK$45.52 million. However, such cash and cash equivalents are not sufficient to satisfy the Group's operational requirements as the Group had current liabilities of approximately HK$92.27 million, including trade and other payables of approximately HK$70.31 million, and recorded a current ratio of approximately 0.71.

The Group intends to utilise its existing cash in the ordinary course of business, principally for payments to subcontractors, suppliers and employees, project costs and other operating expenses. Given the nature of the construction business, the Group must also maintain sufficient working capital to fund the timing mismatch between payments made and progress payments received, provide cash collateral for performance bonds where required, and satisfy the financial requirements applicable to its contractor registrations and project tendering.

The exact timing and amount of utilisation will depend on, among other matters, project progress, the timing of customer receipts, payment terms with subcontractors and suppliers, and the Group's tendering and project pipeline. The Directors therefore consider it commercially necessary and prudent to maintain an adequate liquidity buffer rather than applying the Group's existing cash balance to fully repay the indebtedness due to EPCL.

The Rights Issue will proceed irrespective of the level of acceptance of provisionally allotted Rights Shares. In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be allocated and utilised in accordance with the same proportion to the above uses. The estimated net subscription price per Rights Share after deducting the related expenses of the Rights Issue is expected to be approximately HK$0.330.

The Board considers that the Rights Issue will enable the Company to strengthen its financial position by reducing its indebtedness and improving its liquidity, thereby enhancing the Group's financial flexibility to support its ongoing operations in slope works, foundation works and general building works. The allocation of a substantial portion of the proceeds towards repayment of outstanding indebtedness is expected to lower finance costs and gearing level, while the remaining proceeds for general working capital will support the Group's day-to-day operations and potential business opportunities. The Rights Issue also allows the Company to raise equity capital without increasing interest burden and provides Qualifying Shareholders with an opportunity to participate in the Company's future development by maintaining their respective pro-rata shareholding interests. Accordingly, the Board considers that the Rights Issue is in the interests of the Company and the Shareholders as a whole. Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings will be diluted.

As at the Latest Practicable Date, save for the Rights Issue, the Company has no present intention, plan or agreement to conduct any other equity fundraising activity in the next 12 months.

SHAREHOLDING STRUCTURE OF THE COMPANY

Sets out the shareholding structure of the Company (i) as at the date of the Latest Practicable Date; (ii) immediately upon the Capital Reorganisation becoming effective; and (iii) immediately upon completion of the Rights Issue:

	As at the Latest Practicable Date		Immediately upon Capital Reorganisation becoming effective		Immediately after completion of the Rights Issue (assuming full acceptance of the Rights Shares by all Qualifying Shareholders)		Immediately after completion of the Rights Issue (assuming only Emperor Securities has taken up the Rights Shares and all of the Unsubscribed Rights Shares and NQS Unsold Rights Shares have been placed by the Placing Agent) Note 2		Immediately after completion of the Rights Issue (assuming only Emperor Securities has taken up the Rights Shares and none of the Unsubscribed Rights Shares and NQS Unsold Rights Shares have been placed by the Placing Agent)	
	no. of Shares	%	no. of Shares	%	no. of Shares	%	no. of Shares	%	no. of Shares	%
Substantial Shareholder										
Emperor Securities Note1	792,000,000	50.2%	39,600,000	50.2%	79,200,000	50.2%	79,200,000	50.2%	117,780,000 Note 3	75.0%
Public Shareholders										
Independent Placees	—	—	—	—	—	—	39,260,000	24.9%	—	—
Other Public Shareholders	785,200,000	49.8%	39,260,000	49.8%	78,520,000	49.8%	39,260,000	24.9%	39,260,000	25.0%
Total	1,577,200,000	100.0%	78,860,000	100.0%	157,720,000	100.0%	157,720,000	100.0%	157,040,000	100.0%

Note:

(1) Emperor Securities is a wholly owned subsidiary of Emperor Capital Group Limited which was in turn owned by Albert Yeung Group Holdings Limited through its wholly-owned subsidiary, Emperor Capital Group Holdings Limited, as to 42.7%. Albert Yeung Group Holdings Limited was in turn held by Alto Trust Limited in trust for a private discretionary trust set up by Dr. Yeung Sau Shing, Albert.

(2) Assuming that all Untaken Rights Shares are successfully placed by the Placing Agent under the Compensatory Arrangements, and given that the public Shareholders would hold approximately 24.9% of the enlarged issued share capital of the Company under this scenario, the Company will ensure that the Placees are independent third parties and members of the public such that the Company will maintain the minimum public float requirement under the GEM Listing Rules immediately upon completion of the Rights Issue.

(3) Assuming that no Qualifying Shareholder takes up any Rights Shares other than the Undertaken Shares and no Untaken Rights Shares are successfully placed under the Compensatory Arrangements. As a result of Emperor Securities subscribing for all Untaken Rights Shares, Emperor Securities would hold more than 75% of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue. Accordingly, the number of Untaken Rights Shares to be subscribed for by Emperor Securities will be scaled down to such number that Emperor Securities will hold 75% of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue. The remaining Untaken Rights Shares subject to such scale-down will not be issued.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

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

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

GEM LISTING RULES IMPLICATION

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

As the Rights Issue, if proceeded with, will increase the issued share capital of the Company by more than 50%, the Rights Issue is subject to approval of the Independent Shareholders at the EGM by a resolution on 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 Rights Issue under Rule 10.29(1) of the GEM Listing Rules. As at the Latest Practice Date, Emperor Securities holds 792,000,000 Existing Shares (or 39,600,000 Adjusted Shares upon the Capital Reorganisation becoming effective), representing approximately 50.2% of the existing issued capital of the Company, it shall abstain from voting in favour of the resolutions to approve the Rights Issue and the transactions contemplated thereunder at the EGM. As at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests in the Shares.

Furthermore, Emperor Securities is a connected person of the Company under Chapter 20 of the GEM Listing Rules and the transactions contemplated under the Placing Agreement and Underwriting Agreement constitute connected transactions for the Company under Chapter 20 of the GEM Listing Rules and are subject to the reporting, announcement and Independent Shareholders' approval requirements thereunder. As Emperor Securities is regarded as having a material interest in the transactions contemplated under the Placing Agreement and the Underwriting Agreement, it shall abstain from voting on the resolution(s) approving Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder at the EGM. Save as disclosed above and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, and accordingly no other Shareholder is required to abstain from voting on the relevant resolution(s) at the EGM.

As at the Latest Practice Date, save for the Irrevocable Undertaking from Emperor Securities, the Company has not received any other irrevocable commitments to accept or reject the Rights Shares or to vote for or against the Rights Issue.

EGM

The register of members of the Company will be closed from Thursday, 22 October 2026 to Wednesday, 28 October 2026 (both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM.

The EGM will be convened and held for the purpose of considering and, if thought fit, the Capital Reorganisation and the Rights Issue. There is no other shareholder shall be abstained to vote on the resolution(s) to approve the Capital Reorganisation. However, as Emperor Securities is regarded as having a material interest in the transactions contemplated under the Placing Agreement and the Underwriting Agreement, it shall abstain from voting on the resolution(s) approving Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder at the EGM. Save as disclosed above and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, and accordingly no other Shareholder is required to abstain from voting on the relevant resolution(s) at the EGM.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the meeting in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar and transfer office of the Company, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed (i.e. by 11:00 a.m. on Monday, 26 October 2026.) for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

Subject to the fulfilment of certain conditions of the Rights Issue, the Prospectus Documents will be despatched to the Qualifying Shareholders on or before Wednesday, 18 November 2026 whereas the Prospectus will be despatched to the Non-Qualifying Shareholders, if any, for information only.

RECOMMENDATION

The Independent Board Committee, comprising Mr. Leung Tsun Ip, Mr. Fu Yan Ming and Ms. Lam Yuen Man, Maria, being all the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the Rights Issue and as to the voting action therefor. In this connection, Ballas Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue and as to whether the terms of the Rights Issue are fair and reasonable and as to the voting action therefor.

You are advised to read carefully the letter of recommendation from the Independent Board Committee set out on pages IBC-1 to IBC-2 of this circular and the letter of advice from Ballas Capital set out on pages IFA-1 to IFA-26 of this circular. The Independent Board Committee, having taken into account the advice of Ballas Capital, considers that (i) the entering into the Placing Agreement and the Underwriting Agreement is in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Capital Reorganisation, the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder (including the transactions contemplated under the Placing Agreement and the Underwriting Agreement) are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. In particular, in respect of the connected transactions contemplated under the Placing Agreement and the Underwriting Agreement, the Independent Board Committee, having taken into account the advice of Ballas Capital, further considers that (i) the entering into of the Placing Agreement and the Underwriting Agreement is in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Placing Agreement, the Underwriting Agreement and the connected transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the proposed resolution approving the Rights Issue, the Placing Agreement and the Underwriting Agreement and transaction contemplated thereunder (including the connected transactions contemplated under the Placing Agreement and the Underwriting Agreement) at the EGM.

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

Shareholders and potential investors of the Company should note that the Capital Reorganisation is conditional upon satisfaction of the conditions set out in the paragraph headed "Proposed Capital Reorganisation — Conditions of the Capital Reorganisation" in this circular. Therefore, the Capital Reorganisation may or may not proceed.

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the paragraph headed "Proposed Rights Issue — Conditions of the Rights Issue" in this circular.

Any Shareholder or other person dealing in the Shares and/or the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue are fulfilled (and the date on which the Underwriter right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Appendices I to III to this circular.

By order of the Board
Zhejiang United Investment Holdings Group Limited
Choi Pun Lap
Executive Director and Company Secretary

The following is the text of the letter of recommendation, prepared for the purpose of incorporation in this circular, from the Independent Board Committee to the Independent Shareholders regarding the Rights Issue.

联合控股
HK.08366

ZHEJIANG UNITED INVESTMENT HOLDINGS GROUP LIMITED
浙江聯合投資控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8366)

21 September 2026

To the Independent Shareholders

Dear Sir / Madam,

(1) PROPOSED CAPITAL REORGANISATION;
(2) PROPOSED CHANGE IN BOARD LOT SIZE;
(3) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) ADJUSTED SHARE HELD ON THE RECORD DATE ON A NON-FULLY UNDERWRITTEN BASIS; AND
(4) CONNECTED TRANSACTION IN RELATION TO THE PLACING AGREEMENT AND THE UNDERWRITING AGREEMENT;

We refer to the circular dated 21 September 2026 (the "**Circular**") of the Company of which this letter forms part. Unless the context requires otherwise, terms defined in the Circular shall have the same meanings when used herein.

We have been appointed by the Board to advise the Independent Shareholders as to whether the terms of the Rights Issue, the Placing Agreement and the Underwriting Agreement are fair and reasonable insofar as the Independent Shareholders are concerned and whether the Rights Issue are in the interests of the Company and the Shareholders as a whole; and whether the connected transactions contemplated under the Placing Agreement and the Underwriting Agreement are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote. Ballas Capital has been appointed as the independent financial advisor to advise you and us in this respect.

Having taken into account the advice and recommendation of Ballas Capital as set out in its letter of advice to the Independent Shareholders and us on pages IFA-1 to IFA-26 of the Circular, we consider that the terms of the Rights Issue, the Placing Agreement and the Underwriting Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. Furthermore, the Rights Issue, the Placing Agreement and the Underwriting Agreement are in the interests of the Company and the Shareholders as a whole. Although the Rights Issue, the Placing Agreement and the Underwriting Agreement are not in the ordinary and usual course of business of the Company, we consider that they are in the interests of the Company and the Shareholders as a whole.

In particular, in respect of the connected transactions contemplated under the Placing Agreement and the Underwriting Agreement, we, having taken into account the advice and recommendation of Ballas Capital, consider that (i) the terms of the Placing Agreement, the Underwriting Agreement and the connected transactions contemplated thereunder are on normal commercial terms or better and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the entering into of the Placing Agreement and the Underwriting Agreement is in the interests of the Company and the Shareholders as a whole. Although the connected transactions contemplated under the Placing Agreement and the Underwriting Agreement are not entered into in the ordinary and usual course of business of the Company, we consider that they are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the EGM to approve the Rights Issue, the Placing Agreement and the Underwriting Agreement and the transactions contemplated thereunder (including the connected transactions contemplated under the Placing Agreement and the Underwriting Agreement).

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

Mr. Leung Tsun Ip **Mr. Fu Yan Ming** **Ms. Lam Yuen Man, Maria**

Independent non-executive Directors

The following is the text of a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, which has been prepared for the purpose of incorporation in the Circular.

BALLAS
CAPITAL

Room 1005, Jubilee Centre
46 Gloucester Road
Wanchai, Hong Kong

21 September 2026

*To the Independent Board Committee and
the Independent Shareholders*

Dear Sir or Madam,

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

CONNECTED TRANSACTION IN RELATION TO THE PLACING AGREEMENT AND THE UNDERWRITING AGREEMENT

INTRODUCTION

We refer to our engagement (the "**Engagement**") as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, particulars of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company to the Shareholders dated 21 September 2026 (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

As set out in the Letter from the Board, on 29 July 2026, the Company announced, among other things, the Capital Reorganisation, Change in Board Lot Size, the Rights Issue, the Placing Agreement and the Underwriting Agreement. The Company proposed to raise up to approximately HK$28.39 million before expenses by way of the Rights Issue. The Rights Issue will involve the issue of up to 78,860,000 Rights Shares at the Subscription Price of HK$0.36 per Rights Share (assuming no change in the number of Shares in issue on or before the date on which the Capital Reorganisation became effective) on the basis of one (1) Rights Share for every one (1) Adjusted Share held by the Qualifying Shares as at the Record Date. Assuming full subscription of the Rights Issue, the net proceeds from the Rights Issue after deducting the expenses are estimated to be approximately HK$26.00 million, if there is no change in the total number of issued Shares from the Latest Practicable Date up to and including the Record Date other than as a result of the Capital Reorganisation. The Company intends to apply the net proceeds from the Rights Issue as to (i) not less than approximately 70% (being approximately HK$18.20 million) for repayment of the outstanding indebtedness; (ii) the remaining net proceeds will be applied as general working capital of the Group.

As set out in the Letter from the Board, on 29 July 2026 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement and the Underwriting Agreement with Emperor Securities Limited ("**Emperor Securities**"), being both the Placing Agent and the Underwriter, pursuant to which the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares during the Placing Period to placee(s) who and whose ultimate beneficial owner(s) are Independent Third Party(ies) on a best efforts basis. Any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will be taken up by the Underwriter to an extent pursuant to the Underwriting Agreement and the remaining Rights Shares (if any) will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. For details of the major terms and conditions of the Placing Agreement, please refer to the section headed "The Placing Agreement" in the Letter from the Board.

As set out in the Letter from the Board, the Rights Issue is non-fully underwritten by Emperor Securities. Pursuant to the Underwriting Agreement, Emperor Securities has (in addition to its obligations under the Irrevocable Undertaking) conditionally agreed to underwrite such number of Rights Shares not taken up under the Compensatory Arrangements (rounded down to the nearest whole number), which together with the Shares already held by Emperor Securities and the Undertaken Shares, and depending on the number of Untaken Rights Shares, up to 75% of total enlarged issued share capital of the Company at completion of the Rights Issue. For details of the major terms and conditions of the Underwriting Agreement, please refer to the section headed "The Underwriting Agreement" in the Letter from the Board.

As the Rights Issue, if proceeded with, will increase the issued share capital of the Company by more than 50%, the Rights Issue is subject to approval of the Independent Shareholders at the EGM by a resolution under Rule 10.29(1) of the GEM Listing Rules.

Furthermore, as disclosed in the Letter from the Board, Emperor Securities is a connected person of the Company under the GEM Listing Rules and the transactions contemplated under the Placing Agreement and the Underwriting Agreement constitute connected transactions for the Company and are subject to the reporting, announcement and Independent Shareholders' approval requirements under the GEM Listing Rules. Emperor Securities and its associates shall abstain from voting in respect of the resolution relating to the Placing Agreement and the Underwriting Agreement at the EGM.

The Independent Board Committee, comprising Mr. Leung Tsun Ip, Ms. Lam Yuen Man Maria and Mr. Fu Yan Ming, being all the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the Rights Issue, the Placing Agreement and the Underwriting Agreement and as to the voting action therefor.

INDEPENDENCE DECLARATION

We are not associated or connected with the Company, Emperor Securities, their respective core connected persons or associates. During the past two years immediately preceding and up to the date of our appointment as the independent financial adviser for the Rights Issue, save for the Engagement, we did not have any relationship with or interests in the Company, Emperor Securities, their respective core connected persons or associates that could be reasonably regarded as a hindrance to Ballas Capital Limited's independence as defined under the Listing Rules to act as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue. Accordingly, we consider we are eligible to give independent advice on the Rights Issue.

BASIS OF OUR OPINION

In formulating our recommendation, we have relied on the information and facts contained or referred to in the Circular as well as the representations made or provided by the Directors and the senior management of the Company.

The Directors have declared in the Circular that they collectively and individually accept full responsibility for the accuracy of the information contained in the Circular and that there are no other matters the omission of which would make any statement in the Circular misleading. We have also assumed that the information and the representations made by the Directors as contained or referred to in the Circular were true and accurate at the time they were made and continue to be so up to the date of the EGM. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the senior management of the Company. We have also been advised by the Directors and believe that no material facts have been omitted from the Circular.

We have reviewed information including the Annual Reports (as defined below), the Placing Agreement, the Underwriting Agreement, the historical closing prices and trading volume of the Shares, and announcements published by companies listed on the Stock Exchange in relation to their rights issues. We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have not, however, conducted an independent verification of the information nor have we conducted any form of in-depth investigation into the businesses and affairs or the prospects of the Company, or any of their respective subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

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

A. Information on the Group

The Company and its subsidiaries have been engaged in undertaking slope works, foundation works and other general building works.

Set out below is a summary of the audited consolidated financial performance of the Group for the years ended 30 April 2024 ("**FY2024**"), 2025 ("**FY2025**") and 2026 ("**FY2026**") as extracted from the annual reports of the Company for FY2025 and FY2026 (collectively, the "**Annual Reports**"), respectively.

	FY2026 **(Audited)** *HKD'000*	**FY2025** **(Audited)** *HKD'000*	**FY2024** **(Audited)** *HKD'000*
Revenue	156,383	279,932	302,095
Gross profit	3,144	6,105	5,759
Other income and other (net loss)/ gain	884	2,666	1,847
Administrative expenses	(7,349)	(6,459)	(7,234)
(Allowance for)/reversal of impairment on trade and other receivables	(1)	64	361
Impairment loss recognised on contract assets	(131)	(154)	—
Finance costs	(1,774)	(1,440)	(1,082)
(Loss)/profit before taxation	(5,227)	782	(349)
Income tax (expenses)/ credit	—	228	—
(Loss)/profit for the period attributable to owners of the Company	(5,227)	1,010	(349)

Comparison of historical results for material items

FY2025 and FY2026

For FY2026, the Group recorded a decline in revenue of 44.1% from approximately HK$280.0 million for FY2025 to approximately HK$156.4 million for FY2026 due to decrease in revenue derived from undertaking slope works. The Group recorded a decline in gross profit of 48.5% from approximately HK$6.1 million for FY2025 to approximately HK$3.1 million for FY2026, mainly due to the slightly increased subcontracting rate and overall construction costs for existing projects under the tougher competitive condition and challenging operating environment in Hong Kong construction market. The Group recorded a decline in other income of approximately HK$0.9 million for FY2026 compared to HK$2.7 million for FY2025, mainly due to the decrease of site supervision fee income for FY2026. Administrative expenses increased by 13.8% from HK$6.5 million for FY2025 to HK$7.3 million for FY2026, mainly due to the increase in total staff costs and legal and professional fees. The Group has incurred financial costs of approximately HK$1.8 million (2025: HK$1.4 million) due to interest on borrowings.

As a result, the Group reported a net loss attributable to owners of the Company of approximately HK$5.3 million for FY2026 as compared to profit attributable to owners of the Company of approximately HK$1.0 million for FY2025, representing a decrease of HK$6.2 million, mostly due to decrease in gross profit and other income as explained above.

FY2024 and FY2025

For FY2025, the Group recorded a decline in revenue of 7.3% from approximately HK$302.1 million for FY2024 to approximately HK$280.0 million for FY2025 due to decrease in revenue derived from undertaking slope works. Gross profit remained relatively stable at approximately HK$6.1 million for FY2025 as compared to that of approximately HK$5.8 million for FY2024. The Group recorded an increase in other income and other gain of approximately HK$2.7 million for FY2025 compared to HK$1.8 million for FY2024, mainly due to the increase of site supervision fee income for the year ended 30 April 2025. Administrative expenses decreased by 10.7% from HK$7.2 million for FY2024 to HK$6.5 million for FY2025, mainly due to the decrease in total staff costs. The Group has incurred financial costs of approximately HK$1.4 million (2024: HK$1.1 million) due to interest on borrowings.

As a result, the Group reported a net profit attributable to owners of the Company of approximately HK$1.0 million for FY2025 as compared to loss attributable to owners of the Company of approximately HK$0.3 million for FY2024, representing an increase of HK$1.3 million, mostly due to increase in site supervision fee income.

Financial position of the Group

Set out below is a summary of the financial position of the Group as at 30 April 2025 and 30 April 2026 as disclosed in the Annual Reports.

	As at 30 April 2026 *HKD'000* *(audited)*	**As at 30 April 2025** *HKD'000* *(audited)*
Non-current assets	199	374
Current assets	65,378	62,324
Non-current liabilities	(277)	—
Current liabilities	(92,273)	(84,331)
Net liabilities	**(26,973)**	**(21,633)**
Deficit attributable to owners of the Company	**(26,973)**	**(21,633)**

As at 30 April 2025, total assets of the Group amounted to approximately HK$62.7 million, which mainly comprised (i) cash and cash equivalents of approximately HK$36.0 million; (ii) trade and other receivables of approximately HK$14.4 million; and (iii) contract assets of approximately HK$11.9 million. As at 30 April 2026, total assets of the Group increased slightly to approximately HK$65.6 million, which mainly comprised (i) cash and cash equivalents of approximately HK$45.5 million; (ii) trade and other receivables of approximately HK$13.7 million; and (iii) contract assets of approximately HK$6.1 million. Overall, there were no material changes in the composition of the Group's assets between the two year-end dates.

As at 30 April 2025, the total liabilities of the Group amounted to approximately HK$84.3 million, which mainly comprised (i) trade and other payables and borrowings of approximately HK$67.5 million; and (ii) borrowings of approximately HK$16.9 million. As at 30 April 2026, the total liabilities of the Group increased to approximately HK$92.6 million, which mainly comprised (i) trade and other payables and borrowings of approximately HK$70.3 million; and (ii) borrowings of approximately HK$22.0 million. The increase was mainly attributable to the increase in borrowings from approximately HK$16.9 million as at 30 April 2025 to approximately HK$22.0 million as at 30 April 2026. As at 30 April 2026, the Group has net current liabilities of approximately HK$26.9 million.

The Group's net liabilities increased from approximately HK$21.6 million as at 30 April 2025 to approximately HK$26.97 million as at 30 April 2026, mainly due to the loss of approximately HK$5.2 million recorded for FY2026.

Outstanding indebtedness due to EPCL

As disclosed in the Indebtedness statement in Appendix I to this Circular, as at 31 July 2026, the total amount of unguaranteed and unsecured borrowing together with interests of approximately HK$23.5 million was due to EPCL, which is unsecured, carries interest at 12% per annum and is payable on demand.

B. Reasons for and benefits of the Rights Issue and intended use of proceeds

As stated in the Letter from the Board, the Board considers that the Rights Issue will enable the Company to strengthen its financial position by reducing its indebtedness and improving its liquidity, thereby enhancing the Group's financial flexibility to support its ongoing operations in slope works, foundation works and general building works. The allocation of a substantial portion of the proceeds towards repayment of outstanding indebtedness is expected to lower finance costs and gearing level, while the remaining proceeds for general working capital will support the Group's day-to-day operations and potential business opportunities. The Rights Issue also allows the Company to raise equity capital without increasing interest burden and provides Qualifying Shareholders with an opportunity to participate in the Company's future development by maintaining their respective pro-rata shareholding interests.

As set out in the Letter from the Board, the Company intends to apply the net proceeds from the Rights Issue of approximately HK$26.0 million as follows:

(i) not less than approximately HK$18.20 million, representing 70% of the net proceeds, will be applied towards partial repayment of the outstanding indebtedness due to EPCL; and

(ii) the remaining net proceeds, will be applied as general working capital of the Group, including principally (a) staff costs and directors' remuneration; (b) rental, rates, management fees and other office-related expenses; (c) professional fees and other administrative expenses; and (d) other day-today operating expenses of the Group. The Company currently expects that such proceeds will be utilised within twelve months after completion of the Rights Issue.

We note that the net proceeds from the Rights Issue are intended to apply towards (i) partial repayment of the outstanding indebtedness to EPCL and (ii) general working capital.

According to the Company's annual report for FY2026 (the "**FY2026 Annual Report**"), as at 30 April 2026, the Group recorded current assets of approximately HK$65.4 million (mainly comprising trade receivables of approximately HK$13.7 million, contract assets of approximately HK$6.1 million and cash and cash equivalents of approximately HK$45.5 million). Current liabilities stood at approximately HK$92.3 million (mainly comprising trade payable of approximately HK$18.0 million, retention payables of approximately HK$2.5 million, amount due to a director of a subsidiary of approximately HK$40.0 million, amounts due to former directors of approximately HK$4.3 million and borrowings of approximately HK$22.0 million, being outstanding indebtedness to EPCL. Both the amounts due to directors and the EPCL borrowings are repayable on demand).

The Group therefore recorded net current liabilities of approximately HK$26.9 million and a current ratio of only 0.71, indicating that the current assets cover just 71% of current obligations. More critically, approximately HK$66.3 million of current liabilities (comprising amounts due to directors and EPCL borrowings) are repayable on demand, representing over 70% of total current liabilities. Against this, the Group's cash balance of HK$45.5 million covers only about 0.68x of these on-demand obligations, leaving a potential shortfall of approximately HK$21.3 million should creditors simultaneously enforce repayment.

In light of this liquidity profile, the independent auditor issued an unmodified audit opinion with a material uncertainty related to going concern. The independent auditor highlighted in its audit report that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. In practical terms, the Group's viability hinges on its ability to generate sufficient cash flows to meet obligations as they fall due.

Accordingly, while the Group held cash and cash equivalents of approximately HK$45.5 million as at 30 April 2026, this is insufficient to satisfy its repayment obligations in a stress scenario where all on-demand indebtedness is called. Therefore, we also consider that raising additional funds through the Rights Issue is imperative to improve liquidity, reduce reliance on demand loans, and strengthen the Group's financial position to address the going concern uncertainty.

In assessing the fairness and reasonableness of the intended use of proceeds for repayment of outstanding indebtedness, we have considered:

(a) as to approximately HK$18.2 million, representing 70% of the net proceeds, for the partial repayment of the outstanding indebtedness due to EPCL. According to the FY2026 Annual Report, the Group had borrowings of approximately HK$22.0 million as at 30 April 2026, being outstanding indebtedness due to EPCL, which carries 12% interest per annum and is repayable on demand. Although EPCL has not demanded repayment of the amount due from the Group, as explained in the above paragraph, it is imperative to reduce reliance on demand loans, we consider that it is prudent and reasonable for the Group to apply majority of the net proceeds, equivalent to approximately HK$18.2 million, towards partial repayment of the outstanding indebtedness due to EPCL to reduce the Group's interest burden and reliance on shareholder funding. We also agree with the Directors that the Rights Issue will strengthen the Group's financial position, improve its capital structure and enhance its working capital; and

(b) as to of the remaining net proceeds of HK$7.8 million, representing 30% of the net proceeds, for the general working capital of the Group. The Company currently expects that such proceeds will be utilised within twelve months after completion of the Rights Issue. As stated in the Letter from the Board, the Directors consider it important for the Group to retain sufficient cash resources to meet its operational needs given the nature of the industry in which the Group operates whereby the Group is required to make payments to subcontractors and suppliers as well as provide performance bonds before receiving payments from customers in certain circumstance. As such, we consider the use of the remaining net proceeds of HK$7.8 million for general working capital, which will improve the cash resources, to be reasonable.

Having taken into account the Group's financial position and its trading prospect as disclosed in Appendix I to this Circular, we consider the Rights Issue to be justified in light of the Company's expectation of enhancing the Group's financial flexibility to support its ongoing operations in slope works, foundation works and general building works. We are of the view that the proposed use of proceeds, comprising allocations for repayment of outstanding indebtedness and general working capital, is fair and reasonable and is in the interest of the Company.

We consider that the Rights issue is the appropriate fund raising method. Alternative fund raising, such as debt financing and placement of new Shares, may not be suitable or available to the Company for the reasons below.

We consider that debt financing is structurally unsuitable given the going-concern uncertainty and existing demand liabilities. The Group already carries a high proportion of current liabilities that are repayable on demand (amounts due to directors and EPCL borrowings). Adding further debt would increase both the absolute level of demand liabilities and the Group's fixed financing costs, exacerbating the liquidity risk highlighted by the independent auditor.

On the other hand, equity raised via the Rights Issue directly strengthens the capital base and reduces gearing, which is more aligned with addressing the independent auditor's concerns.

A placing of new Shares would be both economically dilutive and uncertain in a stressed market. As noted in the "Historical Share Price Performance" analysis, the Shares have traded at levels that would require any placing to be priced at a substantial discount to recent closing prices to attract investors. This would effectively transfer value from existing Shareholders to new placees and result in immediate, uncompensated dilution for those who cannot or do not participate.

In the case of the Company with a going-concern uncertainty, investor appetite is likely to be constrained, raising execution risk and potentially resulting in an undersubscribed raising that fails to meet the Company's funding needs.

Unlike the Rights Issue, a placing does not offer all existing Shareholders an equal opportunity to maintain their pro-rata interest. This is particularly inequitable where the funding requirement is large relative to the Company's market capitalisation, as it would materially alter the ownership structure without giving Shareholders a meaningful chance to participate.

In addition, the Rights Issue will be conducted on a non-fully underwritten basis. The Director consider and we concur that the partial underwriting arrangement is in the interests of the Company and its Shareholders as a whole. It provides the Company with a reasonable degree of certainty that it will receive the minimum net proceeds required to meet its funding needs, while mitigating the risk that the Company may fail to maintain the minimum public float required under the GEM Listing Rules if the Rights Issue were fully underwritten by Emperor Securities and Emperor Securities were required to subscribe for all unsubscribed Rights Shares pursuant to the Underwriting Agreement.

C. Previous equity fund-raising exercise

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

D. Principal terms of the Rights Issue

(i) Statistics of the Rights Issue

Basis of the Rights Issue	:	one (1) Rights Share for every one (1) Adjusted Share held on the Record Date
Subscription price	:	HK$0.36 per Rights Share (after the Capital Reorganisation has become effective)
Number of Existing Shares in issue as at the Latest Practicable Date	:	1,577,200,000 Existing Shares
Number of Adjusted Shares in issue upon the Capital Reorganisation becoming effective	:	78,860,000 Adjusted Shares (assuming no change in the number of Shares in issue on or before the date on which the Capital Reorganisation became effective)
Number of Rights Shares	:	(Assuming the Capital Reorganisation has become effective and no further issue of Shares or repurchase of Shares on or before the Record Date) up to 78,860,000 Rights Shares, representing 100% of the Company's issued number of Adjusted Shares as at the Latest Practicable Date and approximately 50% of the enlarged issued share capital of the Company upon completion of the Rights Issue.

Gross proceeds and net proceeds	:	Assuming no change in the issued share capital of the Company on or before the Record Date, and all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full: Gross proceeds: up to approximately HK$28.39 million Net proceeds (after deducting the estimated expenses): up to approximately HK$26.0 million
Aggregate nominal value of the Rights Shares	:	up to HK$788,600

As set out in the Letter from the Board, as at the Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

The Rights Issue will proceed on a non-fully underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. Emperor Securities has (in addition to its obligations under the Irrevocable Undertaking) conditionally agreed to underwrite the 39,090,000 Rights Shares not taken up under the Compensatory Arrangements (rounded down to the nearest whole number), being the maximum number of Rights Shares which Emperor Securities may be required to take up under the Underwriting Agreement without resulting in the aggregate shareholding of Emperor Securities and parties acting in concert with it, together with the Shares already held by Emperor Securities and the Undertaken Shares, exceeding 75% of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue.

As disclosed in the Letter from the Board, taking into account (i) the proceeds from the Rights Issue, and (ii) cash on hands, the Group will have sufficient working capital for the next twelve months to finance its operations and meet its financial obligations after the completion of the Rights Issue.

(ii) The Subscription Price

The Subscription Price is HK$0.36 per Rights Share, which shall be payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents (assuming the Capital Reorganisation has become effective as at the Latest Practicable Date and there is no change in the number of Shares in issue from the date of the Latest Practicable Date to the Record Date other than the Capital Reorganisation):

(i) a discount of approximately 25.0% to the theoretical closing price of HK$0.480 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the closing price of HK$0.024 per Existing Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 14.3% to the theoretical closing price of HK$0.420 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the closing price of HK$0.021 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 14.3% to the theoretical benchmarked price of HK$0.420 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the benchmarked price of HK$0.021 per Existing Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the closing price on the Last Trading Day of HK$0.021 per Existing Share and the average of the closing prices of the Existing Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of the Placing Agreement and the Underwriting Agreement of approximately HK$0.021 per Existing Share);

(iv) a discount of approximately 7.7% to the theoretical ex-rights price of HK$0.390 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the benchmarked price of HK$0.42 per Adjusted Share ;

(v) a premium of approximately HK$0.702 over the audited consolidated net liabilities value per Adjusted Share of approximately HK$0.342 (based on the audited consolidated net liabilities value as at 30 April 2026 of approximately HK$26.97 million and the total number of Adjusted Shares immediately upon the Capital Reorganisation becoming effective); and

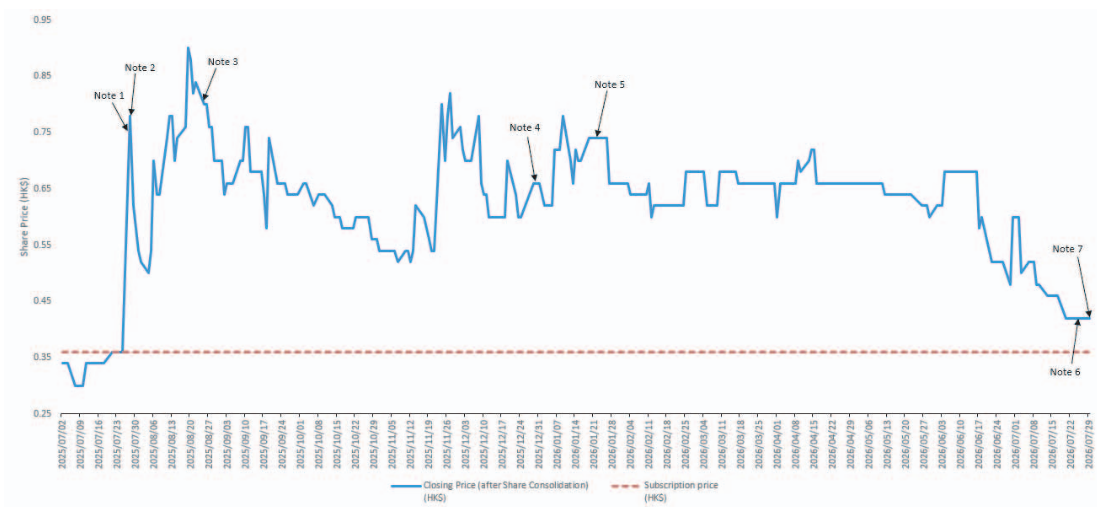
(vi) a theoretical dilution effect (as defined under of the GEM Listing Rules) represented by a discount of approximately 7.1%, represented by the theoretical diluted price of HK$0.390 per Adjusted Share to the benchmarked price of HK$0.420 per Adjusted Share.

As stated in the Letter from the Board, the Subscription Price was determined with reference to (i) the prevailing market conditions; (ii) the prevailing market prices of the Shares; (iii) the current financial position of the Group; and (iv) the amount of funds the Company intends to raise under the Rights Issue.

As disclosed in the Letter from the Board, the Board considers that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK$0.330 (assuming that there is no change in the issued share capital of the Company from the date of the Latest Practicable Date until the Record Date).

Historical Share Price Performance

In order to assess the fairness and reasonableness of the Subscription Price, we have taken into account (i) the theoretical closing price per Adjusted Share during the period from 1 July 2025, being 12 months immediately preceding the date of the Last Trading Day (the "**Review Period**''), with a view to provide a meaningful comparison to the Subscription Price under the Rights Issue, assuming the Capital Reorganisation having become effective (the "**Closing Price**"); and (ii) the average daily trading volumes of the Existing Shares for each of the months/periods during the Review Period.



Source: the Stock Exchange

Notes:

1. The Company announced the inside information regarding the positive profit alert on 27 July 2025.

2. The Company announced the annual results announcement for the year ended 30 April 2025 on 30 July 2025.

3. The Company published the annual report for the year ended 30 April 2025 on 25 August 2025.

4. The Company announced the interim results announcement for the six months ended 31 October 2025 on 30 December 2025.

5. The Company published the interim report for the six months ended 31 October 2025 on 22 January 2026.

6. The Company published the profit warning announcement on 27 July 2026.

7. The Company published the Announcement.

During the Review Period, the highest Closing Price was HK$0.9 on 19 August 2025. The lowest Closing Price was HK$0.3 on 7 July 2025, 8 July 2025, 9 July 2025 and 10 July 2025, respectively.

As shown in the chart, the Closing Price fluctuated between HK$0.30 and HK$0.36 from the commencement of the Review Period until 25 July 2025. The Closing Price then surged to HK$0.78 on 12 August 2025 and reached HK$0.90 on 19 August 2025, the highest Closing Price during the Review Period. Subsequently, the Closing Price followed a general downward trend with fluctuations, declining to HK$0.52 on 12 November 2025 before rebounding to HK$0.82 on 27 November 2025. Thereafter, the Closing Price declined again and fluctuated between HK$0.68 and HK$0.78 from 28 November 2025 to 16 June 2026. The Closing Price then followed a further general downward trend with fluctuations, declining to HK$0.42 on the Last Trading Day. Besides the announcements made by the Company as mentioned above, we cannot establish any other specific events that would have material impact on the Share price and the management of the Company confirms that they are not aware of any reason contributing to the Share closing price movement during the Review Period. We consider that it is appropriate to set the Subscription Price with reference to the Closing Prices. Having regard to (i) the volatility and recent downward trend in the Closing Price, (ii) the absence of fundamental drivers explaining price movements, (iii) the need to incentivise shareholder participation in light of the Company's financial position, and (iv) prevailing market practice as evidenced by the "Rights Issue comparable analysis" below, we consider that the Subscription Price, set at a discount to the Closing Price on the Last Trading Day and the five previous consecutive trading days up to and including the Last Trading Day, is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

We note that the Subscription Price also represents a premium of approximately HK$0.702 over the audited consolidated net liabilities value per Adjusted Share of approximately HK$0.34 (based on the audited consolidated net liabilities value as at 30 April 2026 of approximately HK$26.97 million and the total number of Adjusted Shares immediately upon the Capital Reorganisation becoming effective). Therefore, there will be no asset value dilution to those shareholders who choose not to subscribe to the Rights Issue.

Historical trading volume and liquidity analysis

We have also reviewed the historical trading volume of the Shares during the Review Period. The results are summarised in the table below.

	Number of trading days	Average daily trading volume of the Shares	Percentage of the average daily trading volume to the total number of Shares as at the end of the month
2025			
July	22	2,125,000	0.13%
August	21	1,356,667	0.09%
September	22	300,455	0.02%
October	20	147,000	0.01%
November	20	1,625,000	0.10%
December	21	594,762	0.04%
2026			
January	21	196,667	0.01%
February	17	82,353	0.01%
March	22	30,455	0.002%
April	19	278,421	0.02%
May	19	47,368	0.003%
June	21	311,905	0.02%
July *(Note 1)*	20	242,500	
Maximum		2,125,000	0.13%
Minimum		30,455	0.002%
Average		564,504	0.04%

Source: the Stock Exchange

Note:

1. Represents trading volume for the period from 1 July 2026 to the 29 July 2026, the Last Trading Day, both days inclusive.

During the Review Period, the average daily trading volume of the Shares ranged from a low of approximately 0.002% and up to a high of 0.13% to the total number of issued Shares as at the end of relevant month. In light of the thin trading volume of the Shares as illustrated above (which makes a share placement more difficult to execute and possibly requiring a deeper discount as investors may be concerned that they will not be able to exit without materially affecting the price) as well as the Group's loan repayment obligation as discussed above which would hinder the Group from obtaining further funding from financial institutions, we are of the view that the Rights Issue is an appropriate and reasonable equity financing method for the Group. Having regard to the extremely thin trading volume of the Shares, the associated execution risks and pricing pressures for alternative financing methods, and prevailing market practice for Rights Issues, we consider that the Subscription Price, set at a discount to the Closing Price on the Last Trading Day and the five previous consecutive trading days up to and including the Last Trading Day, is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Rights Issue comparable analysis

To further assess the fairness and reasonableness of the terms of the Rights Issue, we have reviewed 20 comparable transactions (the "**Comparables**") which involve issuance of rights shares by companies listed on GEM, with initial announcements dated within the Review Period and which were not terminated as at the Latest Practicable Date.

To the best of our knowledge and based on our review of published announcements, the Comparables represent an exhaustive set of rights issue transactions announced during the Review Period which met our selection criteria. We consider the 12-month Review Period to be fair and reasonable, as it reflects recent market conditions and investor sentiment surrounding rights issue transactions involving GEM listed companies. GEM listed companies have been selected as the relevant group as they share more similar characteristic than Main Board listed companies in terms of market capitalisation, liquidity of trading, investor base and access to alternative funding. We note that 17 out of the 20 Comparables raised less than HK$50 million in their respective rights issues, which is comparable to the net proceeds from the Rights Issue of approximately HK$26 million.

Shareholders should note that the business activities of the companies of the Comparables vary from company to company with their financial positions, business performances and future prospects. Although the circumstances surrounding such Comparables may be different from those relating to the Company, we consider that the Comparables provide a fair indicator of the prevailing market practices in relation to rights issue transactions conducted by the companies listed on GEM. We note that the discount or premium of the subscription price to the benchmarked prices across the Comparables exhibits a wide range. Notwithstanding such variation, we consider that although subscription price of a rights issue is influenced by the particular circumstances of the relevant company and company-specific differences may affect the pricing outcome of an individual rights issue, they are more relevant to the commercial rationale and funding needs of the relevant company and hence, the Comparables, which provide a market-based reference range against which the Subscription Price may be assessed, are fair and representative for assessing the Subscription Price, as they share key structural characteristics with Rights Issue, involving pro-rata rights entitlements to existing shareholders. Accordingly, we consider that the full set of Comparables collectively provides a meaningful reference to prevailing market practices.

The table below summarises our findings.

Announcement date	Company name (Note 3)	Stock code	Basis of entitlement	Net proceeds	Premium / (Discount) of the subscription price over the share price on the last trading day	Premium / (Discount) of the subscription price over the theoretical ex-right share price on the last trading day	Premium / (Discount) of the subscription price over the average share price for the five previous consecutive trading days up to and including the last trading day	Dilution effect (Note 1)	Underwriting arrangement	Underwriting commission, as the case may be	Placing commission, as the case may be (Note 2)	Minimum placing commission	Compensatory Arrangements/ Excess Application
				HK$ million	*(%)*	*(%)*	*(%)*	*(%)*	*Yes/No*	*(%)*	*(%)*	*HK$*	
13 Jul 2026	KPM Holding Limited	8027	2 for 1	45.60	(13.80%)	(6.30%)	(16.40%)	11.10%	No	N/A	3.00%	N/A	Compensatory Arrangements
10 Jul 2026	Guoen Holdings Limited	8121	4 for 1	40.40	(24.21%)	(6.01%)	(27.27%)	22.40%	No	N/A	4.00%	N/A	Compensatory Arrangements
9 Jul 2026	Hong Kong Entertainment International Holdings Limited	8291	3 for 1	30.70	(4.76%)	(1.23%)	(4.76%)	3.57%	No	N/A	3.00%	N/A	Compensatory Arrangements
13 May 2026	V & V Technology Holdings Limited	8113	1 for 2	31.90	1.12%	0.67%	5.88%	N/A (Note 4)	No	N/A	N/A	N/A	Excess Application
21 Apr 2026	China Information Technology Development Limited	8178	1 for 2	9.73	(24.40%)	(8.10%)	(25.60%)	9.50%	No	N/A	1.00%	N/A	Compensatory Arrangements
17 Apr 2026	Hong Wei (Asia) Holdings Company Limited	8191	4 for 1	37.19	(16.13%)	(3.70%)	(10.47%)	12.90%	No	N/A	1.00%	N/A	Compensatory Arrangements
20 Mar 2026	WT Group Holdings Limited	8422	2 for 1	22.50	(9.91%)	(3.57%)	(10.39%)	6.58%	No	N/A	3.00%	N/A	Compensatory Arrangements
5 Mar 2026	Madison Holdings Group Limited	8057	3 for 2	42.79	(40.00%)	(21.10%)	(39.10%)	24.00%	No	N/A	2.00%	N/A	Compensatory Arrangements

Announcement date	Company name (Note 3)	Stock code	Basis of entitlement	Net proceeds	Premium / (Discount) of the subscription price over the share price on the last trading day	Premium / (Discount) of the subscription price over the theoretical ex-right share price on the last trading day	Premium / (Discount) of the subscription price over the average share price for the five previous consecutive trading days up to and including the last trading day	Dilution effect (Note 1)	Underwriting arrangement	Underwriting commission, as the case may be	Placing commission, as the case may be (Note 2)	Minimum placing commission	Compensatory Arrangements/ Excess Application
				HK$ million	*(%)*	*(%)*	*(%)*	*(%)*	*Yes/No*	*(%)*	*(%)*	*HK$*	
16 Feb 2026	Mindtell Technology Limited	8611	1 for 1	275.20	(40.60%)	(25.50%)	(43.60%)	21.70%	No	N/A	2.00%	N/A	Compensatory Arrangements
11 Feb 2026	Niu Holdings Limited	8619	2 for 1	30.38	(33.50%)	(21.10%)	(35.90%)	24.00%	Yes (non-fully underwritten by a director)	0.00%	1.00%	85,000	Compensatory Arrangements
6 Feb 2026	WLS Holdings Limited	8021	1 for 1	83.20	(40.00%)	(25.00%)	(41.20%)	21.60%	No	N/A	2.50%	N/A	Compensatory Arrangements
27 Jan 2026	Pacific Legend Group Limited	8547	1 for 2	28.10	26.58%	16.28%	31.23%	N/A (Note 4)	No	N/A	2.00%	N/A	Compensatory Arrangements
6 Nov 2025	Winto Group (Holdings) Limited	8238	3 for 1	49.44	(6.98%)	(1.96%)	(6.98%)	5.12%	No	N/A	3.00%	N/A	Compensatory Arrangements
4 Nov 2025	Zhongshi Minan Holdings Limited	8283	5 for 1	96.97	(23.91%)	(4.89%)	(25.69%)	21.67%	No	N/A	2.50%	N/A	Compensatory Arrangements
24 Oct 2025	Jiading International Group Holdings Limited	8153	1 for 2	6.20	(38.78%)	(29.69%)	(37.11%)	12.93%	No	N/A	2.00%	N/A	Compensatory Arrangements
17 Oct 2025	World Super Holdings Limited	8612	3 for 1	29.08	23.46%	5.26%	19.05%	N/A (Note 4)	No	N/A	2.50%	N/A	Compensatory Arrangements
9 Oct 2025	Hao Bai International (Cayman) Limited	8431	4 for 1	36.91	(19.23%)	(4.55%)	(27.08%)	23.24%	No	N/A	1.50%	N/A	Compensatory Arrangements

Announcement date	Company name (Note 3)	Stock code	Basis of entitlement	Net proceeds	Premium / (Discount) of the subscription price over the share price on the last trading day	Premium / (Discount) of the subscription price over the theoretical ex-right share price on the last trading day	Premium / (Discount) of the subscription price over the average share price for the five previous consecutive trading days up to and including the last trading day	Dilution effect (Note 1)	Underwriting arrangement	Underwriting commission, as the case may be	Placing commission, as the case may be (Note 2)	Minimum placing commission	Compensatory Arrangements/ Excess Application
				HK$ million	*(%)*	*(%)*	*(%)*	*(%)*	*Yes/No*	*(%)*	*(%)*	*HK$*	
22 Sept 2025	Gameone Holdings Limited	8282	1 for 2	10.40	1.69%	1.12%	(0.99%)	N/A (Note 4)	Yes (on a best effort and non-fully underwritten basis by an independent third party)	0.50%	N/A	N/A	Excess Application
4 Sept 2025	Aeso Holding Limited	8341	2 for 1	16.40	(25.70%)	(10.35%)	(23.10%)	17.12%	No	N/A	2.50%	N/A	Compensatory Arrangements
13 Aug 2025	China Information Technology Development Limited	8178	3 for 8	32.05	(55.05%)	(47.11%)	(55.24%)	15.12%	Yes (fully underwritten by an independent third party)	7.07%	N/A	N/A	Excess Application
			Min	6.20	(55.05%)	(47.11%)	(55.24%)	3.57%		0.00%	1.00%	85,000	
			Max	275.20	26.58%	16.28%	31.23%	24.00%		7.07%	4.00%	85,000	
			Average	47.76	(18.21%)	(9.84%)	(18.74%)	15.78%		2.52%	2.26%	85,000	
	The Company		1 for 1	26.00	(14.29%)	(7.69%)	(14.29%)	7.14%	Yes (non-fully underwritten by a connected person	3.00%	2.00%	100,000	Compensatory Arrangements

Source: the Stock Exchange

Note:

1. Represents the theoretical dilution effect as calculated pursuant to Rule 10.44A of the GEM Listing Rules, or extracted from announcement, circular or listing document of the relevant rights issue.

2. Except for stock codes 8113, 8282 and 8178, which did not have placing agent, all placing agents of the Comparables are independent to the respective companies.

3. Except for stock codes 8113, 8153, 8282 and 8178 (whose rights issues are not subject to shareholders' approval under the GEM Listing Rules), all rights issues of the Comparables have been approved by the independent shareholders.

4. As the rights issues subscription prices of these Comparables were at a premium over their respective share prices, the rights issues did not result in any theoretical dilution effect.

As set out in the table above, we note that the discounts as represented by the Subscription Price over the closing price of the Adjusted Shares on the Last Trading Day, as well as the average closing price of the Adjusted Shares over the average share price for the five previous consecutive trading days up to and including the Last Trading Day are all within the range of the Comparables and are less discounted than the respective averages. Furthermore, the theoretical dilution effect of the Rights Issue is within the range of the Comparable and is also less discounted than the average theoretical dilution effect of the Comparables. Therefore, we are of the view that the Subscription Price is acceptable and in line with recent market transactions. Taking into account the aforesaid factors, we consider that the Subscription Price is on normal commercial term and fair and reasonable so far as the Independent Shareholders are concerned.

Furthermore, we note that the Rights Issue is available to all Qualifying Shareholders by providing them with an equal opportunity to participate in the Rights Issue; and those Qualifying Shareholders who do not wish to subscribe for their pro-rata entitlement of the Rights Shares can receive economic benefits from selling their nil-paid Rights Shares in the market. We further note that the Qualifying Shareholders will not be entitled to subscribe for any Rights Shares in excess of their respective entitlements. In this regard, we have taken into account GEM Listing Rule 10.31(2), which requires an issuer to adopt the compensatory arrangements contemplated under GEM Listing Rule 10.31(1)(b), rather than excess application arrangements, where any controlling or substantial shareholder of the issuer acts as an underwriter or sub-underwriter of the rights issue. As the Underwriter is a substantial shareholder of the Company, the Company is required to adopt the compensatory arrangements under GEM Listing Rule 10.31(1)(b). Accordingly, the absence of excess application arrangements is consistent with the applicable GEM Listing Rules. Furthermore, based on our analysis on the Comparables, we note that 17 out of 20 Comparables did not offer excess application as part of their rights issues. On this basis, we considered that it is a common market practice not to have excess application as part of the rights issue. Despite the absence of excess application, the Rights Issue will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company. For Qualifying Shareholders who accept their respective entitlements under the Rights Issue in full, they would be able to maintain their respective existing shareholdings in the Company after completion of the Rights Issue. As such, we considered that the absence of excess application arrangement to be acceptable as far as the Independent Shareholders are concerned.

E. The Underwriting Agreement

As set out in the Letter from the Board, pursuant to the Underwriting Agreement, the Rights Shares will be non-fully underwritten by the Underwriter in accordance with the terms of the Underwriting Agreement. The Underwriter, Emperor Securities, has (in addition to its obligations under the Irrevocable Undertaking) conditionally agreed to underwrite the 39,090,000 Rights Shares not taken up under the Compensatory Arrangements (rounded down to the nearest whole number), being the maximum number of Rights Shares which Emperor Securities may be required to take up under the Underwriting Agreement without resulting in the aggregate shareholding of Emperor Securities and parties acting in concert with it, together with the Shares already held by Emperor Securities and the Undertaken Shares, exceeding 75% of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue.

As set out in the Letter from the Board, the terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter by reference to the financial position of the Group, the size of the Rights Issue, the current and expected market condition and the prevailing market rate. The Directors consider that the terms of the Underwriting Agreement including the commission rate are fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

Pursuant to the Underwriting Agreement, the Company shall pay the Underwriter an underwriting commission of 3.0% of the aggregate subscription amount in respect of Underwritten Shares. As illustrated in the table of Comparables above, three cases involved underwriting arrangements. Since only two of these cases were underwritten by securities firms independent of the relevant companies, we have expanded our review scope to include rights issues conducted by Main Board issuers during the Review Period wherein the underwriters were independent of the relevant issuers. On this basis, we have exhaustively identified a total of 7 cases (the "**Independent Underwriting Cases**"), details of which are set out in the table below.

Announcement date	Company name	Stock code	Basis of entitlement	Net proceeds *HK$ million*	Underwriting basis	Underwriting commission
13 Jan 2026	EPI (Holdings) Limited	689	2 for 1	192.7	best-effort and non-fully underwritten	1.80%
15 Oct 2025	Winshine Science Company Limited	209	7 for 1	176.5	fully underwritten	2.50%
3 Oct 2025	Macau Legend Development Limited	1680	1 for 2	86.9	fully underwritten	3.00%
22 Sept 2025	Gameone Holdings Limited	8282	1 for 2	10.4	best effort and non-fully underwritten	0.50%
19 Sept 2025	Immunotech Biopharm Ltd	6978	1 for 5	251.88	best-effort	1.45%
10 Sept 2025	China Automotive Interior Decoration Holdings Limited	48	3 for 2	32	fully underwritten	4.50%
13 Aug 2025	China Information Technology Development Limited *(note)*	8178	3 for 8	32.05	fully underwritten	7.07%
		Min				0.50%
		Max				7.07%
		Average				2.97%

Note: The rights issue of China Information Technology Development Ltd with 7.07% underwriting commission has not been considered as an outlier because it satisfies the same selection criteria as the other Independent Underwriting Cases, namely a rights issue announced during the Review Period and underwritten by an independent underwriter. As there is no apparent reason that such commission does not represent a normal commercial term, it is considered appropriate to retain the case as part of the overall market reference.

In our analysis, we have excluded those rights issues underwritten by a connected person of the relevant issuer, we consider that it is not appropriate to place primary reliance on those connected rights issues when assessing the Underwriting Commission. Although the relationship between that underwriter and the relevant issuer may be factually closer to the relationship between the Company and the Underwriter, a transaction involving a connected person may be influenced by considerations arising from the parties' pre-existing relationship and may not necessarily reflect terms that would be available in an arm's length negotiation between an issuer and an independent professional underwriter. Accordingly, we consider that underwriting arrangements entered into with independent securities firms provide a more appropriate reference for assessing the commercial reasonableness of the Underwriting Commission.

As illustrated in the table above, the underwriting commission payable under the Independent Underwriting Cases range from 0.5% to 7.07%, with an average underwriting commission of 2.97%, which was comparable to the Underwriting Commission of 3.0% payable under the Underwriting Agreement.

Accordingly, we are of the view that the underwriting commission is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Details of the provisions granting the Underwriter such termination rights are set out in the section headed "Underwriting Agreement" in the Letter from the Board. We have reviewed the circular or prospectus of all the comparable companies, including the Independent Underwriting Cases, with underwriting arrangement, and note that termination provisions appear to be common. As such, we consider such provisions are normal commercial terms and in line with the normal market practice. We have also reviewed the remaining provisions of the Underwriting Agreement which have not been separately disclosed. They principally relate to customary representations, warranties, indemnities, notice provisions and governing law, which are standard in commercial agreements of this nature. Accordingly, we are of the view that the terms of the Underwriting Agreement are customary in nature, on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. The Company confirms that it did not approach any independent underwriter for the Rights Issue. As the Underwriting Agreement has been negotiated on normal commercial terms and contains terms customary for underwriting arrangement and the Company receives services of a type and standard comparable to those available from independent underwriters, for commission and other consideration that are consistent with prevailing market practice, we also consider that the engagement of Emperor Securities as the Underwriter is in the interests of the Company and the Shareholders as a whole.

F. The Placing Agreement

As set out in the Letter from the Board, pursuant to the Placing Agreement, the Placing Agent was appointed to procure, on a best efforts basis, placees to subscribe for the Unsubscribed Rights Shares and NQS Unsold Rights Shares during the Placing Period. The Unsubscribed Rights Shares and NQS Unsold Rights Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies).

As set out in the Letter from the Board, the engagement between the Company and the Placing Agent of the Unsubscribed Rights Shares and NQS Unsold Rights Shares (including the commission payable) was determined after arm's length negotiation between the Placing Agent and the Company and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market conditions. The Directors consider that the terms of Placing Agreement in respect of the Unsubscribed Rights Shares and NQS Unsold Rights Shares (including the commission payable) are on normal commercial terms.

Pursuant to the Placing Agreement, the Company shall pay the Placing Agent a placing commission of 2.0% of the amount which is equal to the placing price multiplied by the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares that have been successfully placed by the Placing Agent, with minimum charge of HK$100,000, pursuant to the terms of the Placing Agreement. As illustrated in the table of Comparables above, the placing commission of 2.0% to be charged by the Placing Agent under the Placing Agreement falls within the range of the commission rates of the Comparables of 1.00% to 4.00% charged by placing agents independent of the relevant companies. It is also below the average commission rate of 2.25% among such Comparables. Regarding the minimum charge of HK$100,000 to be charged by the Placing Agent under the Placing Agreement, since there was only one case involving a minimum placing commission among the Comparables, we have expanded our review scope to include rights issues conducted by Main Board issuers during the Review Period which involved placing arrangements with a minimum placing commission. On this basis, we have exhaustively identified a total of 8 cases (the "**Fixed Placing Commission Cases**"), the details of which are set out in the table below.

Announcement date	**Company name**	**Stock code**	**Basis of entitlement**	**Net proceeds**	**Placing commission**	**Minimum placing commission**
				HK$ million	*(%)*	*HK$*
12 May 2026	MTT Group Holdings Limited	2350	2 for 5	65.8	2.20%	300,000
5 May 2026	Citychamp Watch & Jewellery Group Limited	256	1 for 3	143.4	1.50%	300,000
6 Mar 2026	Kingland Group Holdings Limited	1751	1 for 3	148.1	1.00%	250,000
11 Feb 2026	Niu Holdings Limited	8619	2 for 1	30.383	1.00%	85,000
24 Oct 2025	IRC Limited	1029	1 for 2	323.6	1.25%	85,000
9 Oct 2025	CCIAM Future Energy Limited	145	1 for 2	17	Fixed HK$100,000	100,000
5 Oct 2025	Fire Rock Holdings Limited	1909	1 for 2	150.88	Fixed HK$100,000	100,000
13 Aug 2025	Capital VC Limited	2324	1 for 1	52.9	3.00%	100,000
		Min				85,000
		Max				300,000
		Average				165,000

As illustrated in the table above, the minimum placing commission range from HK$85,000 to HK$300,000, with an average of HK$165,000, which is higher than the minimum placing commission of HK$100,000 under the Placing Agreement.

As such, we are of the view that the placing commission and the minimum charge are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Details of the provisions granting the Placing Agent such termination rights are set out in the section headed "Placing Agreement" in the Letter from the Board. We have reviewed the circular or prospectus of all the comparable companies, including the Fixed Placing Commission Cases, with placing arrangement and note that it is common to have a termination clause incorporated in the placing agreement and the termination events are customary in nature, we consider such provisions are normal commercial terms and in line with the normal market practice. We have also reviewed the remaining provisions of the Placing Agreement which have not been separately disclosed. They principally relate to customary representations, warranties, indemnities, notice provisions and governing law, which are standard in commercial agreements of this nature. Accordingly, we are of the view that the terms of the Placing Agreement are customary in nature, on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. The Company confirms that it did not approach any independent placing agent for the Rights Issue. As the Placing Agreement has been negotiated on normal commercial terms and contains terms customary for placing arrangement and the Company receives services of a type and standard comparable to those available from an independent placing agents, for commission and other consideration that are consistent with prevailing market practice, we also consider that the engagement of Emperor Securities as the Placing Agent is in the interests of the Company and the Shareholders as a whole.

G. Dilution effect of the Rights Issue on shareholding interests

All Qualifying Shareholders are entitled to subscribe for the Rights Shares. Qualifying Shareholders who do not accept the Rights Issue are able to sell their nil-paid rights to subscribe for the Rights Shares in the market. Where all Qualifying Shareholders do not accept the Rights Issue and thus the Placing Agent and/or the Underwriter subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares pursuant to the Placing Agreement and the Underwriting Agreement respectively, the theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) on the Qualifying Shareholders' shareholding interests will be approximately 7.14%.

In calculating the theoretical dilution effect of the Rights Issue, we have taken into account the Irrevocable Undertaking given by Emperor Securities pursuant to which it has irrevocable undertaken to subscribe in full for the Rights Shares provisionally allotted to it under the Rights Issue. Notwithstanding the aforesaid potential dilution in Shareholders' interest in the Company as a result of the Rights Issue, we have taken into account the intended use of the net proceeds in assessing whether such dilution is justifiable. In particular, the net proceeds from the Rights Issue are intended to be applied towards partial repayment of the outstanding indebtedness due to EPCL and for general working capital of the Group. The proposed partial repayment of indebtedness is expected to reduce the Group's repayment burden and funding pressure. While the allocation towards general working capital is intended to support the Group's ongoing operation needs. In our view, these uses represent identifiable funding needs of the Group and are expected to benefit the Group's financial position and operational continuity.

Having further considered (i) the Rights Issue offers the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company; (ii) the Qualifying Shareholders have the opportunity to realise their nil-paid rights to subscribe for the Rights Shares in the market, subject to availability; (iii) the inherent potential dilutive nature of the Rights Issue in general; (iv) the net proceeds from the Rights Issue are intended to be applied towards partial repayment of the outstanding indebtedness due to EPCL and for general working capital of the Group, we are of the view that the theoretical dilution effect on the shareholding interests of the Shareholders (who decide not to accept their assured entitlements in full as a result of the Rights Shares), which is below the average theoretical dilution effect of the Comparables, is justifiable.

H. Financial effects

It should be noted that the Rights Issue is subject to the conditions as set out in the Letter from the Board, the analysis below 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.

(i) Net assets/liabilities value

As noted from the unaudited pro forma financial information of the Group as set out in Appendix II to the Circular, assuming the completion of the Rights Issue had taken place on 30 April 2026, the unaudited pro forma adjusted consolidated net liabilities value of the Group attributable to the Shareholders would have been approximately HK$0.95 million immediately after the completion of the Rights Issue, as compared to the audited consolidated net liabilities of approximately HK$26.97 million as at 30 April 2026. Such improvement is attributable to the effect of the net proceeds from the Rights Issue.

On the basis that the Capital Reorganisation was completed on 30 April 2026, the audited consolidated net liabilities per Adjusted Share before the Rights Issue would have been approximately HK$0.34. Immediately after the completion of the Rights Issue, the unaudited pro forma adjusted consolidated net liabilities value of the Group attributable to owners of the Company per Adjusted Share would have been approximately HK$0.01.

(ii) Gearing and liquidity

As at 30 April 2026, the Group recorded audited consolidated net liabilities value attributable to the owners of the Company of approximately HK$26.97 million. Immediately upon completion of the Rights Issue, it is expected that the Group's gearing ratio and liquidity position will be improved.

RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that:

(a) the Rights Issue is not in the ordinary and usual course of business of the Company, but the terms of the Rights Issue are on normal commercial terms, are fair and reasonable so far as the Company and the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole;

(b) the Placing Agreement is not in the ordinary and usual course of business of the Company, but the terms of the Placing Agreement are on normal commercial terms, are fair and reasonable so far as the Company and the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole; and

(c) the Underwriting Agreement is not in the ordinary and usual course of business of the Company, but the terms of the Underwriting Agreement are on normal commercial terms, are fair and reasonable so far as the Company and the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole.

Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Rights Issue, the Placing Agreement and the Underwriting Agreement.

Yours faithfully,
For and on behalf of
Ballas Capital Limited

Alex Lau
Managing Director

Note: Mr. Alex Lau of Ballas Capital Limited has been a responsible officer of Type 6 (advising on corporate finance) regulated activities since 2003.

A. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the three years ended 30 April 2024, 2025 and 2026 are disclosed in the following documents which have been published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.zjuv8366.com/), respectively:

(i) the audited consolidated financial information of the Group for the year ended 30 April 2024 is disclosed in the annual report of the Company for the year ended 30 April 2024 published on 30 August 2024, from pages 94 to 175

(https://www1.hkexnews.hk/listedco/listconews/gem/2024/0830/2024083000635.pdf)

(ii) the audited consolidated financial information of the Group for the year ended 30 April 2025 is disclosed in the annual report of the Company for the year ended 30 April 2025 published on 25 August 2025, from pages 73 to 155

(https://www1.hkexnews.hk/listedco/listconews/gem/2025/0825/2025082500454.pdf)

(iii) the audited consolidated financial information of the Group for the year ended 30 April 2026 is disclosed in the annual report of the Company for the year ended 30 April 2026 published on 19 August 2026, from pages 62 to 155

(https://www1.hkexnews.hk/listedco/listconews/gem/2026/0819/2026081901359.pdf)

B. INDEBTEDNESS

As at the close of business on 31 July 2026, being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this circular, the details of the Group's indebtedness are as follows:

Other Borrowings

Other borrowings included (i) an amount due to a director of a subsidiary of approximately HK$12,700,000, the balance is non-trade nature, unsecured, non-interest bearing and repayable on demand and (ii) amounts due to former directors, Mr. Zhou Ying of approximately HK$3,365,000 and Ms. Meng Ying of approximately HK$927,000, which arose from salaries due to them by the Company and advances from them for payments of the operating expenses of the Company during the years ended 30 April 2022, 2021 and 2020. The balances are unguaranteed and unsecured, non-interest bearing and repayable on demand.

Unsecured Borrowings

An amount due to a fellow subsidiary of the Company, EPCL, the balance of unguaranteed and unsecured borrowing together with interests of approximately HK$23,450,000, is unsecured, carries interest at 12% per annum and is repayable on demand.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of the business, as at the close of business on 31 July 2026, the Group did not have any debt securities issued and outstanding, and authorised or otherwise created but unissued, and term loans, any other outstanding loan capital, any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or similar indebtedness, debentures, mortgages, charges, loans, acceptance credits, hire purchase commitments, guarantees or other contingent liabilities.

C. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that the Group will, taking into account the net proceeds from the Rights Issue and the financial resources available to the Group, have sufficient working capital for its present operating requirements and for at least the next twelve months from the date of this circular. The Company has obtained the relevant confirmation as required under the GEM Listing Rules.

D. MATERIAL ADVERSE CHANGE

The Board confirmed that there has been no material adverse change in the financial or trading position of the Group since 30 April 2026, being the date to which the latest published audited accounts of the Group were made up, up to and including the Latest Practicable Date.

E. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company is an investment holding company and, through its subsidiaries, the Group is principally engaged in undertaking slope works, foundation works and other general building works in Hong Kong. During the year ended 30 April 2026, the Group recorded revenue of approximately HK$156.38 million, representing a decrease of approximately 44.1% as compared with approximately HK$279.93 million for the year ended 30 April 2025, and the Group recorded a loss attributable to owners of the Company of approximately HK$5.23 million for the year ended 30 April 2026 as compared with a profit attributable to owners of the Company of approximately HK$1.01 million for the year ended 30 April 2025.

The turnaround from a profit attributable to owners of the Company for the year ended 30 April 2025 to a loss attributable to owners of the Company for the year ended 30 April 2026 was primarily attributable to (i) a decrease in revenue derived from undertaking slope works from approximately HK$279.67 million for the year ended 30 April 2025 to approximately HK$140.77 million for the year ended 30 April 2026, representing a decrease of approximately 49.7%; (ii) a decrease in gross profit from approximately HK$6.10 million for the year ended 30 April 2025 to approximately HK$3.14 million for the year ended 30 April 2026; (iii) a decrease in other income from approximately HK$2.67 million to approximately HK$0.88 million, mainly due to the decrease in site supervision fee income; and (iv) an increase in administrative expenses from approximately HK$6.46 million for the year ended 30 April 2025 to approximately HK$7.35 million for the year ended 30 April 2026, mainly due to the increase in staff costs and legal and professional fees. The decrease in gross profit margin was mainly attributable to the slightly increased subcontracting rate and overall construction costs for existing projects under the tougher competitive condition and challenging operating environment in the Hong Kong construction market.

Looking ahead, the Directors consider that the Hong Kong construction market will continue to face a challenging and competitive operating environment, with persistent pressure from high subcontracting rates, general operating costs and overall construction costs, as well as the slower pace of approval of public works funding proposals amid the economic slowdown in Hong Kong. In particular, the Group's revenue from slope works declined from approximately HK$279.67 million for the year ended 30 April 2025 to approximately HK$140.77 million for the year ended 30 April 2026, while revenue from foundation works increased to approximately HK$15.61 million for the year ended 30 April 2026 as the Group undertook more foundation work projects during the year. As at the Latest Practicable Date, the Group has obtained public projects from each of Civil Engineering and Development Department ("**CEDD**") and Hong Kong Housing Authority respectively, which are expected to be completed in the coming years.

Notwithstanding the above, the Directors remain cautiously optimistic about the slope works industry in Hong Kong, given the Hong Kong Government's continuing investment in major construction and infrastructure projects and its ongoing Landslip Prevention and Mitigation Programme, which is expected to support a steady flow of slope works to the construction industry. The Group had obtained public projects from the Civil Engineering and Development Department and the Hong Kong Housing Authority, which are expected to be completed in the coming years.

For the current financial year, the Group intends to continue focusing on its principal business of undertaking slope works, foundation works and other general building works in Hong Kong, while continuing to carefully evaluate potential costs and control the Group's overall costs at an acceptable and satisfactory level.

Based on the information currently available to the Board, and barring unforeseen circumstances, the Directors consider that the Group's business and financial prospects remain cautious but stable in the medium to long term.

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

For illustrative purpose only, set out below is the unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group after completion of the Rights Issue. Although reasonable care has been exercised in preparing the unaudited pro forma financial information, Shareholders who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the Group's financial position at the relevant time.

The following is the unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company (the "**Unaudited Pro Forma Financial Information**"), which has been prepared by the directors of the Company in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants to illustrate the effect of the Rights Issue on the consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 April 2026 as if the Rights Issue had been completed on that date.

The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated net liabilities of the Group attributable to owners of the Company as at 30 April 2026, as derived from the audited consolidated financial statements of the Group for the year ended 30 April 2026 set out in the published annual report of the Company, and after incorporating the unaudited pro forma adjustments described in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, may not give a true picture of the consolidated net tangible liabilities of the Group attributable to owners of the Company had the Rights Issue been completed as at 30 April 2026 or at any future date.

	Audited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 April 2026	Estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 April 2026 immediately after the completion of the Rights Issue	Audited consolidated net tangible liabilities of the Group attributable to owners of the Company per Share as at 30 April 2026 before the completion of the Capital Reorganisation and the Rights Issue	Unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 April 2026 per Adjusted Share after the completion of the Capital Reorganisation but before the completion of the Rights Issue	Unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company per Share as at 30 April 2026 immediately after the completion of the Capital Reorganisation and the Rights Issue
	HK$'000	*HK$'000*	*HK$'000*	*HK$*	*HK$*	*HK$*
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 4)*	*(Note 5)*	*(Note 6)*
Based on 78,860,000 Rights Shares to be issued at the Subscription Price of HK$0.36 per Rights Share	(26,973)	26,027	(946)	(0.02)	(0.34)	(0.01)

Notes:

(1) The audited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 April 2026 of HK$26,973,000 is derived from the Group's consolidated statement of financial position as at that date contained in the Company's published audited consolidated financial statements for the year ended 30 April 2026 as set out in the annual report of the Company.

(2) The estimated net proceeds from the Rights Issue of approximately HK$26,027,000 is calculated based on 78,860,000 Rights Shares to be issued at HK$0.36 per share, after deduction of the estimated related expenses of approximately HK$2,363,000.

(3) The unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 April 2026 immediately after the completion of the Rights Issue of approximately HK$946,000 is calculated as the amount of audited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 April 2026 of approximately HK$26,973,000 (*Note 1*) minus the estimated net proceeds from the Rights Issue of approximately HK$26,027,000 (*Note 2*).

(4) The audited consolidated net tangible liabilities of Group attributable to owners of the Company per Share as at 30 April 2026 before the completion of the Capital Reorganisation and the Rights Issue is calculated based on the audited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 April 2026 of approximately HK$26,973,000 (*Note 1*) divided by 1,577,200,000 Shares in issue as at 30 April 2026.

(5) The Number of Shares and audited consolidated net tangible liabilities attributable to owners of the Company used for the calculation of the unaudited pro forma adjusted consolidated net tangible liabilities of the Group per Adjusted Share attributable to the owners of the Company after the completion of the Capital Reorganisation but before the completion of the Rights Issue, are 78,860,000 Adjusted Shares (calculated based on the Share Consolidation of 1,577,200,000 shares in issue at 30 April 2026 to 78,860,000 Adjusted Shares pursuant to the Share Consolidation) and approximately HK$26,973,000 as at 30 April 2026 respectively.

(6) The unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 April 2026 per Share immediately after completion of the Rights Issue is calculated based on the unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 April 2026 after the completion of the Capital Reorganisation and the Rights Issue of HK$946,000 *(Note 3)* divided by 157,720,000 Shares in issue upon completion of the Rights Issue, which comprises 78,860,000 Adjusted Shares in issue before the Rights Issue and 78,860,000 Rights Shares to be issued under the Rights Issue.

(7) No adjustments have been made to the unaudited pro forma adjusted consolidated net tangible liabilities of the Group to reflect the trading results for any periods subsequent to 30 April 2026 or other transactions of the Group entered into subsequent to that date.

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

The following is the text of a report, prepared for the sole purpose of inclusion in this Circular, from the reporting accountant, CCTH CPA Limited, Certified Public Accountants, Hong Kong.

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

CCTH CPA LIMITED
中正天恆會計師有限公司

To the Directors of Zhejiang United Investment Holdings Group Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Zhejiang United Investment Holdings Group Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company, and related notes as set out on pages II-1 to II-3 of Appendix II of the Circular issued by the Company dated 21 September 2026 (the "**Circular**") in connection with the proposed rights issue on the basis of one rights share for every one adjusted share held on the record date on a non-fully underwritten basis (the "**Rights Issue**"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-3 of Appendix II to the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the Rights Issue on the Group's consolidated net tangible liabilities as at 30 April 2026 as if the Rights Issue had taken place on 30 April 2026. As part of this process, information about the Group's financial position has been extracted by the Directors from the annual report of the Company for the year ended 30 April 2026, on which the independent auditor's report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market 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 requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 “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 7.31 (7) of the GEM Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

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

The purpose of the unaudited pro forma financial information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 April 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 event or transaction, and to obtain sufficient appropriate evidence about whether:

— the related pro forma adjustments give appropriate effect to those criteria; and

— the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

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

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

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

Opinion

In our opinion:

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

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

(c) the adjustments are appropriate for the purpose of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31 (1) of the GEM Listing Rules.

CCTH CPA Limited
Certified Public Accountants

Hong Kong
21 September 2026

Chan Yee Lai Kenneth
Practising certificate number: P02095

1. RESPONSIBILITY STATEMENT

This circular, for which the directors of the issuer 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 issuer. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

2. SHARE CAPITAL

(i) Share capital as at the Latest Practicable Date

Authorised		*HK$*
2,000,000,000	Existing Shares of HK$0.01 each	20,000,000
Issued and fully paid:		
1,577,200,000	Existing Shares of HK$0.01 each	15,772,000

(ii) Immediately following the Capital Reorganisation having become effective (assuming no change in the number of issued Existing Shares (or the Adjusted Shares upon the Capital Reorganisation having become effective) from the Latest Practicable Date up to the effective date)

Authorised		*HK$*
2,000,000,000	Adjusted Shares of HK$0.01 each	20,000,000
Issued and fully paid:		
78,860,000	Adjusted Shares of HK$0.01 each	788,600

(iii) Share capital immediately following the Capital Reorganisation becoming effective and upon completion of the Rights Issue (assuming no further issue of Adjusted Shares or repurchase of Shares on or before the completion of the Rights Issue (other than issue of the Rights Shares) and the Rights Issue is fully subscribed)

Authorised		*HK$*
2,000,000,000	Adjusted Shares immediately following the Capital Reorganisation becoming effective	20,000,000
Issued and fully paid:		
78,860,000	Adjusted Shares of HK$0.01 each	788,600
78,860,000	Rights Shares to be allotted and issued under the Rights Issue	788,600
157,720,000	Shares in issue immediately upon completion of the Rights Issue	1,577,200

All the Existing Shares, Adjusted Shares and the Rights Shares in issue and to be issued rank and will rank *pari passu* in all respects with each other including rights to dividends, voting and return of capital. The Existing Shares, Adjusted Shares and the Rights Shares in issue and to be issued are or will be listed on GEM.

As at the Latest Practicable Date, the Company did not have any other derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Adjusted Shares and no capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option. The Company has no intention to issue or grant any convertible securities, warrants and/or options on or before the Record Date.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Existing Shares, the Adjusted Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

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

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

3. DISCLOSURE OF INTERESTS

(a) Director's and chief executive's interest and short positions in shares and underlying shares and debentures of the Company or its associated corporations

As at the Latest Practicable Date, none of the Directors and the chief executive of the Company had any interests or short positions 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 would have to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which would be required pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

(b) Interests of substantial Shareholders

As at the Latest Practicable Date, so far as the Directors are aware, the interests or short positions owned by the following persons (other than a Director or the chief executive of the Company)/entities in the Shares or underlying Shares, which were required: (a) to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO; or (b) to be recorded in the register of the Company required to be kept under section 336 of the SFO are as follows:

Name of shareholders	Capacity/nature of interest	Number of issued Shares held	Approximate percentage of interest
Emperor Securities Limited	Beneficial owner	792,000,000	50.2%
Emperor Capital Group Limited	Interest in controlled corporation *(Note)*	792,000,000	50.2%
Albert Yeung Capital Holdings Limited	Interest in controlled corporation *(Note)*	792,000,000	50.2%
Alto Trust Limited	Trustee of a private discretionary trust *(Note)*	792,000,000	50.2%
Dr. Yeung Sau Shing Albert	Founder of a private discretionary trust *(Note)*	792,000,000	50.2%
Ms. Luk Siu Man, Semon	Interest of spouse *(Note)*	792,000,000	50.2%

Notes: These Shares were held by Emperor Securities Limited, a wholly-owned subsidiary of Emperor Capital Group Limited which was in turn owned by Albert Yeung Capital Holdings Limited as to 42.8%. Albert Yeung Capital Holdings Limited was in turn held by Alto Trust Limited in trust for a private discretionary trust set up by Dr. Yeung Sau Shing, Albert. By virtue of the SFO, Dr. Yeung Sau Shing, Albert, Alto Trust Limited, Albert Yeung Capital Holdings Limited, Emperor Capital Group Limited are deemed to be interested in the 792,000,000 Shares held by Emperor Securities Limited.

Save as disclosed above and as at the Latest Practicable Date, the Company had not been notified for any interests or short positions owned by any persons (other than a Director or the chief executive of the Company)/entities in the Shares or underlying Shares, which were required: (a) to be disclosed under Divisions 2 and 3 of Part XV of the SFO; or (b) to be recorded in the register of the Company required to be kept under section 336 of the SFO.

4. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation, arbitration or claims of material importance, and none of the Directors was aware of any litigation, arbitration or claims of material importance pending or threatened against any member of the Group.

5. DIRECTORS' SERVICE CONTRACTS

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

6. COMPETING INTERESTS

To the best knowledge of the Directors, as at the Latest Practicable Date, none of the Directors and the controlling shareholders of the Company and employees of the Company nor their respective close associates had any business or interest which competed or might compete, either directly or indirectly, with the business of the Group or any other conflict of interest which any such person had or might have with the Group which would be required to be disclosed under Rule 11.04 of the GEM Listing Rules.

7. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENTS

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

8. RISKS FACTORS

In compliance with the GEM Listing Rules, the Company sets out below the risk factors of the Group for the attention of the Shareholders and potential investors.

Economic conditions in Hong Kong

The Group principally operates in Hong Kong and derives substantially all of its revenue from Hong Kong. As such, the Group's business performance is closely linked to the economic conditions in Hong Kong. Any adverse changes in the general economic environment, including economic slowdown, recession, inflation, higher interest rates, reduced government expenditure on infrastructure and construction projects, property market downturn or deterioration in business sentiment, may adversely affect the demand for construction and engineering services and consequently the Group's business, financial position and results of operations.

Political, regulatory and legal risks

The Group's business operations are subject to the laws, regulations and policies of Hong Kong. Any changes in government policies, regulatory requirements, environmental standards, labour regulations, taxation policies or other legal and regulatory requirements may increase the Group's compliance costs or affect the operating environment of the Group. Any significant changes in the political, legal or regulatory environment may have a material adverse effect on the Group's business, financial position and prospects.

Foreign exchange and currency risks

The Group's principal operations are conducted in Hong Kong and most of its revenue and expenses are denominated in Hong Kong dollars. However, the Group may from time to time hold assets or incur liabilities denominated in foreign currencies and may be exposed to exchange rate fluctuations. Any significant fluctuation in foreign exchange rates may adversely affect the financial position and results of operations of the Group.

Financial market risks

Global and regional financial markets may experience significant volatility as a result of changes in economic conditions, inflationary pressures, interest rate movements, geopolitical tensions, public health events or other factors beyond the control of the Group. Such developments may adversely affect investor confidence, financing conditions, availability of capital and the overall operating environment in which the Group conducts its business.

Risk related to the operation and financial performance of the Group

A significant portion of the Group's past revenue was generated from contracts granted by the Hong Kong Government and statutory bodies, which are non-recurrent in nature, and if the level of Hong Kong Government's spending on construction projects particularly for slope works is reduced, the Group's financial performance may be materially affected. In addition, any delays in the Group's projects may affect the Group's cash flows and may have adverse impact on the Group's business and reputation. Furthermore, the Group is dependent on its senior management and in-house engineers, inability to retain its staff may adversely affect the Group's business operations.

9. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) which have been entered into by any member of the Group within the two years immediately preceding the date of the Announcement up to and including the Latest Practicable Date:

(i) the Placing Agreement; and

(ii) the Underwriting Agreement;

10. QUALIFICATION AND CONSENT OF EXPERTS

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

Name	Qualification
CCTH CPA Limited	Certified Public Accountants Registered Public Interest Entity Auditor
Ballas Capital	a corporation licensed 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 Experts had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 30 April 2026, being the date to which the latest published audited accounts of the Company were made up.

11. EXPENSE

The expenses payable by the Company in connection with the Rights Issue, including financial adviser fees, printing, registration, translation, legal and accounting fees, are estimated to be approximately HK$2.39 million.

12. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Board of Directors	*Executive Directors:* Mr. Choi Pun Lap *Independent Non-executive Directors:* Mr. Leung Tsun Ip Ms. Lam Yuen Man Maria Mr. Fu Yan Ming
Audit Committee	Mr. Fu Yan Ming *(chairman)* Mr. Leung Tsun Ip Ms. Lam Yuen Man Maria
Nomination Committee	Mr. Leung Tsun Ip *(chairperson)* Ms. Lam Yuen Man Maria Mr. Fu Yan Ming
Remuneration Committee	Mr. Fu Yan Ming *(chairman)* Mr. Leung Tsun Ip Ms. Lam Yuen Man Maria
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 A6-A, 12/F., Block A Hong Kong Industrial Centre 489-491 Castle Peak Road Lai Chi Kok Kowloon Hong Kong
Authorised representative	Mr. Choi Pun Lap Mr. Fu Yan Ming
Company secretary	Mr. Choi Pun Lap
Hong Kong branch share registrar and transfer office	**Union Registrars Limited** Suites 3301-04, 33/F. Two Chinachem Exchange Square 338 King's Road North Point Hong Kong

Principal share registrar and transfer office in the Cayman Islands	**Ocorian Trust (Cayman) Limited** Windward 3 Regatta Office Park P.O. Box 1350 Grand Cayman KY1-1108 Cayman Islands
Principal bankers	**Bank of China (Hong Kong) Limited** Bank of China Tower 1 Garden Road Central Hong Kong
Auditor	**CCTH CPA Limited** Unit 1510-1517, 15/F. Tower 2, Kowloon Commerce Centre No. 51 Kwai Cheong Road Kwai Chung New Territories Hong Kong.
Financial adviser	**Emperor Corporate Finance Limited** 23/F Emperor Group Centre 288 Hennessy Road Wanchai Hong Kong
Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders	**Ballas Capital Limited** Room 1005, Jubilee Centre 46 Gloucester Road Wanchai Hong Kong

13. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Choi Pun Lap ("**Mr. Choi**"), aged 48, was appointed as our executive Director on 30 September 2021. Mr. Choi has extensive knowledge in corporate finance transactions in Hong Kong. He is well experienced for working in mergers & acquisition, analysing financial and market data, responsible for coordinating and supporting integration planning for acquisitions, and taking deals through the full process to successful completion. He is currently an executive director of Wuxi Life International Holdings Group Limited (stock code: 8148) and Simplicity Holding Limited (stock code: 8367), the shares of both are listed on GEM of the Stock Exchange, an independent non-executive director of Sunway International Holdings Limited (stock code: 58) and China Smarter Energy Group Holdings Limited (stock code: 1004), the shares of both are listed on the Main Board of the Stock Exchange, and Canopy SkyFire Group Limited (stock code: 8245), the shares of which are listed on

GEM of the Stock Exchange. In the past, Mr. Choi was a financial controller of a company which is listed in GEM in 2019 and he was a senior audit manager in the audit department of HLB Hodgson Impey Cheng Limited ("**HLB**") in Hong Kong. He has worked in HLB for more than ten years from February 2007 to December 2017. Mr. Choi is a valuation practitioner of International Association of Certified Valuation Specialists since 2019. He is a fellow member of Hong Kong Institute of Certified Public Accountants, a member of Certified Practising Accountants Australia and a member of Chartered Global Management Accountant and a member of International Chamber of Sustainable Development — Certified ESG Planner CEP. Mr. Choi graduated from Hong Kong Metropolitan University with a Master of Law (Chinese Business Law) in Hong Kong in 2017. He obtained a Bachelor of Business (Accounting) from Central Queensland University in Australia in 2003 and further studied Postgraduate Diploma of Accounting in Monash University in Australia in 2005.

Independent non-executive Directors

Mr. Leung Tsun Ip ("**Mr. Leung**"), aged 43 was appointed as an Independent non-executive Director on 21 October 2021. Mr. Leung has more than 19 years of experience in finance and asset management. Mr. Leung received his Bachelor of Science in Risk Management and his Master of Philosophy in Systems Engineering and Engineering Management from the Chinese University of Hong Kong. He is currently a certified Financial Risk Manager (FRM), a certified Environmental, Social and Governance Analyst (CESGA), an associate member of The Hong Kong Chartered Governance Institute (HKCGI) and The Chartered Governance Institute (CGI) in the United Kingdom. Mr. Leung was an independent non-executive director of China Come Ride New Energy Group Limited (stock code: 8039), a company listed on the GEM of the Stock Exchange from October 2022 to May 2024. Ms. Lam Yuen Man Maria, an Independent non-executive Director, was also an independent non-executive director of China Come Ride New Energy Group Limited.

Mr. Fu Yan Ming ("**Mr. Fu**"), aged 60, was appointed as an Independent non-executive Director on 21 October 2021. Mr. Fu possess over 30 years of experience in accounting, audit, internal control, financial management, strategic business planning, corporate finance, merger and acquisition and corporate governance. He has worked for various sizeable organizations including accounting firms, pharmaceutical distribution company, TMT (Technology, Media and Telecommunications) companies, manufacturing companies and consultancy firm. During the past 15 years, he held various senior positions including financial controller and company secretary in main board and GEM listed companies of Hong Kong. Mr. Fu is a fellow member of The Association of Chartered Certified Accountants. He obtained a Bachelors' Degree of Business Administration from The Chinese University of Hong Kong. Mr. Fu is currently an independent non-executive director of Wuxi Life International Holdings Group Limited (stock code: 8148), (Mr. Choi Pun Lap, an Executive Director, is an executive director of Wuxi Life International Holdings Group Limited and Ms. Lam Yuen Man Maria, an Independent non-executive Director, is an independent non-executive director of Wuxi Life International Holdings Group Limited), a company listed on the GEM of Stock Exchange. Mr. Fu was an executive director of Shanyu Group Holdings Company Limited (stock code: 8245), a company listed on the GEM of the Stock Exchange, from October 2016 to September 2019.

Ms. Lam Yuen Man Maria ("Ms**. Lam**"), aged 56, has over 20 years' experiences in company secretarial practice, auditing, treasury and finance experiences. Ms. Lam is currently an independent non-executive director of Century Group International Holdings Limited (Stock code: 2113) and a non-executive director of PanAsialum Holdings Company Limited (Stock code: 2078), shares of which are listed on Main Board of the Stock Exchange. She is also an independent non-executive director of Wuxi Life International Holdings Group Limited (Stock code: 8148) (Mr. Choi Pun Lap, an Executive Director, is an executive director of Wuxi Life International Holdings Group Limited and Mr. Fu Yan Ming, an Independent non-executive Director, is an independent non-executive director of Wuxi Life International Holdings Group Limited), the shares of which are listed on GEM of the Stock Exchange. She is also a company secretary and an authorised representative of BOSA Technology Holdings Limited (Stock code: 8140), shares of which are listed of GEM of the Stock Exchange. Ms. Lam was previously an independent non-executive director of China Come Ride New Energy Group Limited (stock code: 8039) (Mr. Leung Tsun Ip, an Independent non-executive Director, was an independent non-executive director of China Come Ride New Energy Group Limited), the shares of which are listed on GEM of the Stock Exchange, until from 1 October 2022 to 9 January 2024. Ms. Lam holds a bachelor degree in Accountancy from The Hong Kong Polytechnic University, a master degree in Management from the Macquarie University and a master degree in Applied Psychology from City University of Hong Kong. She is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants, the Hong Kong Chartered Governance Institute, the Chartered Governance Institute and the Chartered Institute of Arbitrators. She is also an accredited mediator of the Hong Kong Mediation Accreditation Association Limited, a member and a qualified graphologist of the British Institute of Graphologists and a member of Scientific Association of Forensic Examiners. Prior to joining the Board, Ms. Lam has worked with an international accounting firm and other leading listed and private group of companies and has extensive experience in company secretarial practice, assurance, treasury and finance. She is currently providing management consultancy and corporate secretarial services to listed issuers and private companies, graphology consultancy and training services and forensic handwriting examination.

Business address of the Directors

The business address of the Directors is the same as the Company's principal office in Hong Kong at Unit A6-A, 12/F., Block A, Hong Kong Industrial Centre, 489-491 Castle Peak Road, Lai Chi Kok Kowloon, Hong Kong.

14. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board comprises all the independent non-executive Directors, namely Mr. Leung Tsun Ip, Mr. Fu Yan Ming and Ms. Lam Yuien Man Maria. The primary duties of the audit committee include the review of the Group's financial reporting process and the internal control systems as well as risk management of the Group.

15. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.zjuv8366.com.hk) for 14 days from the date of this circular:

(a) the annual reports of the Company for each of the three financial years ended 30 April 2024, 2025 and 2026;

(b) the letter of recommendation from the Independent Board Committee, the text of which is set out on pages IBC-1 to IBC-2 of this circular;

(c) the letter of advice from the Independent Financial Adviser, the text of which is set out on pages IFA-1 to IFA-26 of this circular;

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

(e) the material contracts referred to in the paragraph headed "9. Material Contracts" of this appendix; and

(f) the written consent referred to in paragraph headed "10. Qualification and Consent of Experts" of this appendix.

16. 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) Since the Group's business activities are mainly operated in Hong Kong and the relevant transactions are denominated in HK$, the Directors consider that the Group's risk in foreign exchange is insignificant. As at the Latest Practicable Date, the Group did not engage in any derivatives agreements nor commit to any financial instrument to hedge its foreign exchange exposure. Therefore, the Group had no significant exposure to foreign exchange liabilities;

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

(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.

联合控股
HK.08366

ZHEJIANG UNITED INVESTMENT HOLDINGS GROUP LIMITED
浙 江 聯 合 投 資 控 股 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8366)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of Zhejiang United Investment Holdings Group Limited (the "**Company**") will be held at 908, 9/F, Gloucester Tower, 15 Queen's Road Central, Hong Kong at 11:00 a.m. on Wednesday, 28 October 2026 for the purpose of considering and, if though fit, passing the following resolutions of the Company. Unless otherwise indicated, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated 21 September 2026 (the "**Circular**")

SPECIAL RESOLUTION

1. "**THAT**, subject to and conditional upon (i) the signing by the directors of the Company of a solvency statement in accordance with the requirements of the Companies Act (As Revised) of the Cayman Islands (the "Companies Act"); (ii) registration by the Registrar of Companies in the Cayman Islands of a copy of the solvency statement and the minute containing the particulars required under the Companies Act with respect to the Capital Reduction (as defined below); and (iii) the Stock Exchange granting approval for the listing of, and permission to deal in, the Adjusted Shares (as defined below), with effect from the date on which these conditions are fulfilled (the "**Effective Date**"):

   (a) every twenty (20) issued and unissued shares of par value of HK$0.01 each in the share capital of the company be consolidated into one (1) share of par value of HK$0.2 (each a "**Consolidated Share**") in the share capital of the Company (the "**Share Consolidation**");

   (b) immediately following the Share Consolidation, the issued share capital of the Company shall be reduced by reducing the par value of each issued Consolidated Share from HK$0.2 to HK$0.01 by cancelling the paid-up capital to the extent of HK$0.19 on each issued Consolidated Share (the "**Capital Reduction**");

(c) immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of par value of HK$0.2 each be sub-divided into twenty (20) shares of par value of HK$0.01 each (the "**Adjusted Shares**") in the share capital of the Company (the "**Share Subdivision**", together with the Share Consolidation and the Capital Reduction, the "**Capital Reorganisation**");

(d) the credit arising from the Capital Reduction be applied towards offsetting the accumulated losses (if any) of the Company and the balance (if any) shall be transferred to a distributable reserve account of the Company which may be utilised by the board (the "**Board**") of directors (the "**Director(s)**") in accordance with the memorandum and articles of association of the Company and all applicable laws, including, without limitation, eliminating or setting off any accumulated losses of the Company from time to time;

(e) each of the Adjusted Shares arising from the Capital Reorganisation shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions as contained in the memorandum and articles of association of the Company;

(f) immediately following the Capital Reorganisation, the authorised share capital of the Company shall remain as HK$20,000,000 divided into 2,000,000,000 Adjusted Shares of par value of HK$0.01 each;

(g) the Directors be and are hereby authorised to do all such acts and things and execute all such documents, which are ancillary to the Capital Reorganisation, on behalf of the Company, including affixing the common seal of the Company where applicable, as they may consider necessary or expedient to give effect to, implement and complete the Capital Reorganisation."

ORDINARY RESOLUTION

2. "THAT subject to the passing of special resolution number 1 above and the satisfaction of the conditions set out in the letter from Letter from the Board under the heading "Conditions of the Rights Issue" in the circular of the Company dated 21 September 2026 (the "**Circular**") (including The Stock Exchange of Hong Kong Limited granting and not having revoked the listing of and permission to deal in the Rights Shares (as defined below)):

(a) the issue by way of rights (the "**Right Issue**") of a maximum of 78,860,000 Adjusted shares (the "**Right Shares**" and each a "**Right Share**") at a subscription price of HK$0.36 per Rights Share to the qualifying shareholders of the Company (the "**Qualifying Shareholders**") whose names appear on the register of members of the Company on 17 November 2026 or such other date as may be determined by the Company for the determination of the entitlements under the Rights Issue (the "**Record Date**") (other than those shareholders (the "**Non-Qualifying Shareholders**") with registered addresses outside Hong Kong whom the Board, after making reasonable enquiries, considers it necessary or expedient not to offer the

Rights Shares to them on account either of legal restrictions or prohibitions under the laws of the relevant jurisdictions or the requirements of the relevant regulatory body or stock exchange in such jurisdictions) on the basis of one (1) Rights Share for every one (1) Adjusted Share of the Company then held on the Record Date and pursuant to the terms and conditions as set out in the Circular (a copy of which marked "A" is produced to the Meeting and initialed by the chairman of the Meeting for the purpose of identification) of which this notice convening the Meeting forms part, be and is hereby approved;

(b) any one of the Directors be and is hereby authorised to allot and issue the Rights Shares (in their nil-paid form and fully-paid form) pursuant to and in connection with the Rights Issue notwithstanding the Rights Shares may be offered, allotted or issued otherwise than pro rata to the Qualifying Shareholders and, in particular, any Director be and is hereby authorised to make such exclusions or other arrangements in relation to fractional entitlements and/or the Non-Qualifying Shareholders as he/she deems necessary, desirable or expedient having regard to any restrictions or obligations under the memorandum and articles of association of the Company or the laws of, or the rules and regulations of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong; and

(c) any one of the Directors be and is hereby authorised to do all such acts and things, as he/she may in his/her discretion consider necessary, desirable or expedient, for the purposes of or in connection with the implementation of the Rights Issue and the transactions contemplated thereunder, including but not limited to the execution of all such documents under seal where applicable, as he/she considers necessary or expedient in his/her opinion to implement and/or give effect to the Rights Issue and the implementation of all transactions contemplated thereunder, including but not limited to the issue and allotment of Rights Shares and to agree with such variation, amendment or waiver as, in his opinion, appropriate and in the interests of the Company and its shareholders as a whole."

3. "THAT:

(a) the placing agreement dated 29 July 2026 entered into between the Company and Emperor Securities Limited ("**Placing Agreement**") in relation to the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares on a best effort basis (a copy of the Placing Agreement marked "B" is produced to this meeting and initialled by the chairman of the meeting for the purpose of identification), and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and

(b) any one Director be and is hereby authorised on behalf of the Company to execute all such documents (whether under common seal or not) and do all such acts and things as he may consider necessary, desirable or expedient to implement and/or to give effect to the Placing Agreement and the transactions contemplated thereunder."

4. "THAT:

(a) the entering into of the underwriting agreement dated 29 July 2026 among the Company and Emperor Securities Limited (the "**Underwriter**") in relation to the Rights Issue (the "**Underwriting Agreement**") and the transactions contemplated thereunder (a copy of the Underwriting Agreement marked "C" is produced to the meeting and initialled by the chairman of the meeting for the purpose of identification) be and is hereby approved, confirmed and ratified in all respects and the performance of the transactions contemplated thereunder by the Company (including but not limited to the arrangements for taking up of the underwritten Rights Shares, if any, by the Underwriter) be and are hereby approved, confirmed and ratified; and

(b) any one Director be and is hereby authorised on behalf of the Company to execute all such documents (whether under common seal or not) and do all such acts and things as he may consider necessary, desirable or expedient to implement and/or to give effect to the Underwriting Agreement and the transactions contemplated thereunder."

By order of the Board
Zhejiang United Investment Holdings Group Limited
Choi Pun Lap
Executive Director and Company Secretary

Hong Kong, 21 September 2026

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 A6-A, 12/F., Block A
Hong Kong Industrial Centre
489-491 Castle Peak Road
Lai Chi Kok
Kowloon
Hong Kong

Notes:

1. Any member of the Company ("**Members**" or "**Shareholders**") entitled to attend and vote at the meeting above ("**Meeting**") is entitled to appoint in written form one or, if he/she is the holder of two or more shares of the Company ("**Shares**"), more proxies to attend and vote instead of him/her. A proxy need not be a Member.

2. In the case of joint holders of Shares, any one of such joint holders may vote, 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 are present at the Meeting, personally or by proxy, that one of the said persons so present whose name stands first in the register in respect of such Share shall alone be entitled to vote in respect thereof

3. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised, and must be deposited with the Hong Kong branch share registrar and transfer office of the Company ("**Branch Registrar**"), Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) not less than 48 hours before the time fixed for holding of the Meeting (i.e. by 11:00 a.m. on Monday, 26 October 2026) or any adjournment thereof.

4. For the purpose of determining Members who are qualified for attending and voting at the Meeting, the register of Members will be closed from Thursday, 22 October 2026 to Wednesday, 28 October 2026, both days inclusive, during which no transfer of Shares will be effected. In order to qualify for attending and voting at the Meeting, all transfers of Shares, accompanied by the relevant share certificates, must be lodged with the Branch Registrar at the address stated in note 3 above not later than 4:00 p.m. on Wednesday, 21 October 2026 for registration.

5. Delivery of an instrument appointing a proxy should not preclude a Member from attending and voting in person at the above Meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.

6. According to Rule 17.47(4) of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited, voting on all proposed resolutions set out in this notice will be taken by a poll.

7. (a) Subject to paragraph (b) below, if a tropical cyclone warning signal No. 8 or above is expected to be hoisted or "extreme conditions" caused by super typhoons or a black rainstorm warning signal is expected to be in force at any time on the date of the Meeting, the Meeting will be postponed to the next Business Day on which no tropical cyclone warning signal No. 8 or above or "extreme conditions" caused by super typhoons or a black rainstorm warning signal is hoisted or in force in Hong Kong at any time between the hours from 8:00 a.m. to 11:00 a.m. and in such case the meeting shall be held at the same time and venue.

   (b) If a tropical cyclone warning signal No. 8 or above or "extreme conditions" caused by super typhoons or a black rainstorm warning signal is lowered or cancelled three hours before the time appointed for holding the Meeting and where conditions permit, the Meeting will be held as scheduled.

   (c) The Meeting will be held as scheduled when a tropical cyclone warning signal No. 3 or below is hoisted or an amber or red rainstorm warning signal is in force.

   (d) After considering their own situations, Members should decide on their own whether or not they would attend the Meeting under any bad weather condition and if they do so, they are advised to exercise care and caution.

8. All times and dates specified herein refer to Hong Kong local times and dates.

As at the date of this notice, the executive Director is Mr. Choi Pun Lap, the independent non-executive Directors are Mr. Leung Tsun Ip, Mr. Fu Yan Ming and Ms. Lam Yuen Man, Maria.