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 licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Partytime Culture Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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China Partytime Culture Holdings Limited

中國派對文化控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1532)

(1) PROPOSED ISSUANCE OF UNLISTED WARRANT UNDER SPECIFIC MANDATE AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

Financial adviser to the Company

浦銀國際
SPDB INTERNATIONAL

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular. A letter from the Board is set out on pages 5 to 46 of this circular.

A notice convening the EGM to be held at No. 251 Huachuan North Road, Chian Town, Yiwu City, Zhejiang Province, the PRC on Friday, 15 August 2025 at 10:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. Whether or not you intend to attend the meeting, you are requested to complete the enclosed form in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so desire.

25 July 2025

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

"Announcement"	the announcement of the Company dated 26 March 2025 in respect of the Warrant issuance;
"associate"	has the meaning ascribed thereto under the Listing Rules;
"Board"	the board of Directors;
"Company" or "Issuer"	China Partytime Culture Holdings Limited (中國派對文化控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1532);
"Completion"	completion of the Warrant issuance;
"Condition(s) Precedent"	the conditions precedent under the Warrant Subscription Agreement;
"controlling shareholder(s)"	has the meaning ascribed thereto under the Listing Rules;
"Current Market Price"	in respect of a Share at a particular date, the average of the closing price for one Share quoted by the Stock Exchange for the five (5) consecutive Trading Days ending on the trading day immediately preceding such date;
"Director(s)"	the director(s) of the Company;
"EGM"	the extraordinary general meeting of the Company to be convened and held on Friday, 15 August 2025 for the purposes of approving, among others, the Warrant Subscription Agreement and the transactions contemplated thereunder (including without limitation, the allotment and issue of the Warrant Shares upon exercise of the subscription right attaching to the Warrant and the Specific Mandate);
"EGM Notice"	the notice of the EGM which is set out on pages EGM-1 to EGM-2 of this circular;
"Exercise Amount"	an amount in HK$ equal to the aggregate value of Shares represented by the Warrant;

"Exercise Condition"	has the meaning as ascribed to it in the section headed "Warrant Instrument" in this circular;
"Exercise Period"	the period during which the right attaching to the Warrant may be exercised, at the option of the Warrantholder, at any time on or after the Issue Date up to the close of business on the Expiration Date (but in no event thereafter);
"Exercise Price"	the price per Share payable in HK$ on exercise of the Exercise Right, which shall initially be HK$0.09 per Share, and shall be subject to adjustment from time to time in accordance with the terms and conditions for the Warrant;
"Exercise Right"	in respect of a Warrant, the right of the holder of that Warrant to subscribe for a maximum of 354,652,624 Shares at the relevant Exercise Price up to the Exercise Amount;
"Expert"	means an independent investment bank, audit firm or a corporation licensed under the SFO to carry out Type 6 regulated activities in Hong Kong, acting as an expert, selected by the Company;
"Expiration Date"	the 5th anniversary of the issue date of the Warrant;
"Group"	collectively, the Company and its subsidiaries;
"Hong Kong"	Hong Kong Special Administrative Region of the PRC;
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong;
"Issue Date"	the date of issue of the Warrant;
"Last Trading Day"	26 March 2025, being the last Trading Day prior to the signing of the Warrant Subscription Agreement, which took place after trading hours;
"Latest Practicable Date"	18 July 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

"Long Stop Date"	30 September 2025 or such later date as the Company and Subscriber may mutually agree in writing from time to time;
"Parties"	the parties to the Warrant Subscription Agreement, being the Company and the Subscriber;
"PRC"	the People's Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
"RMB"	Renminbi, the lawful currency of the PRC;
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
"Share(s)"	share(s) of HK$0.01 each in the share capital of the Company;
"Share Option Scheme"	the share option scheme of the Company adopted on 7 August 2015;
"Shareholder(s)"	holder(s) of Share(s);
"Specific Mandate"	the specific mandate to be sought from the Shareholders at the EGM for the allotment and issuance of the Warrant Shares under the Warrant Subscription Agreement;
"Subscriber" or the "Initial Warrantholder"	PM Partners I LP;
"Subscription Price"	the subscription price of the Warrant, being a nominal consideration of HK$1.00;
"Trading Day"	a day when the Stock Exchange is open for dealing business, provided that if no closing price, as the case may be, is reported in respect of the relevant Shares on the Stock Exchange for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have existed when ascertaining any period of dealing days;

"Warrant(s)"	means 354,652,624 detachable and transferable warrants, conditionally exercisable for a period of five (5) years from the date of issue, as constituted by the warrant instrument in the form of deed poll and issued with the benefit of, and subject to, the terms and conditions set out therein entitling the holder to subscribe for the Warrant Shares on the exercise ratio of 1:1 at the Exercise Price;
"Warrant Documents"	collectively, the Warrant Subscription Agreement, the deed poll creating and constituting the Warrant and the certificates issued to the Warrantholders in respect of its registered holding(s) of the Warrant;
"Warrant Shares"	354,652,624 Shares to be issued by the Company pursuant to the terms of the Warrant, representing (i) approximately 20.00% of the existing issued share capital of the Company as at the date of the Warrant Subscription Agreement; and (ii) approximately 16.67% of the issued share capital of the Company as to be enlarged by the allotment and issue of the Warrant Shares (assuming that there is no other change to the total number of Shares from the date of the Warrant Subscription Agreement to the date of Completion);
"Warrant Subscription Agreement"	the warrant subscription agreement dated 26 March 2025 (as amended and supplemented by a supplemental agreement dated 27 June 2025) entered into between the Company (as the issuer) and the Subscriber (as the subscriber) in relation to, among other things, the Warrant issuance;
"Warrantholder(s)"	holder(s) of the Warrant; and
"%"	per cent.

China Partytime Culture Holdings Limited
中國派對文化控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1532)

Executive Directors:
Mr. Teng Hao *(Chairman)*
Mr. Xu Chengwu *(Chief Executive Officer)*
Mr. Chen Jinbo

Independent Non-executive Directors:
Mr. Chen Wen Hua
Ms. Peng Xu
Mr. Zheng Jin Min

Registered Office:
Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

Headquarter and Principal Place of Business in the PRC:
No. 3 Chunchao Road
Yichun Economic &
Technological Development Zone
Jiangxi Province, PRC

Principal Place of Business in Hong Kong:
Room 225–27, 2/F., Mega Cube
8 Wang Kwong Road, Kowloon Bay
Kowloon
Hong Kong

25 July 2025

Dear Shareholders,

(1) PROPOSED ISSUANCE OF UNLISTED WARRANT UNDER SPECIFIC MANDATE AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

1. INTRODUCTION

Reference is made to the Announcement in relation to, among others, the Warrant Subscription Agreement and the transactions contemplated thereunder.

The purpose of this circular is to provide you with, among other things, (i) further details of the Warrant Subscription Agreement and the transactions contemplated thereunder (including without limitation, (a) the allotment and issue of the Warrant Shares upon exercise of the

subscription rights attaching to the Warrant; and (b) the Specific Mandate); (ii) a notice convening the EGM; and (iii) other information required under the Listing Rules.

2. PROPOSED ISSUE OF UNLISTED WARRANT UNDER SPECIFIC MANDATE

2.1 Warrant Subscription Agreement

On 26 March 2025 (after trading hours), the Company entered into the Warrant Subscription Agreement with the Subscriber, pursuant to which the Company conditionally agreed to issue to the Subscriber the Warrants conferring the rights to subscribe for the Warrant Shares.

The principal terms of the Warrant Subscription Agreement are set forth below:

Date	26 March 2025 (after trading hours).
Parties	The Company, as the Issuer of the Warrants; and PM Partners I LP, as the Subscriber of the Warrants.
Subject	The Company has conditionally agreed to issue the Warrant conferring the rights, upon fulfillment of the Exercise Condition to the satisfaction of the Company, to subscribe for the Warrant Shares (representing a maximum of 354,652,624 Shares) during the Exercise Period at a nominal Subscription Price of HK$1.00. The Exercise Price at which the Shares are issued upon exercise of the Exercise Rights is adjusted from time to time in accordance with the warrant instrument conditions. Assuming no adjustment, the exercise ratio in respect of the number of Shares to be issued per Warrant is 1:1.

Conditions Precedent

Completion is conditional upon the satisfaction (or, if applicable, waiver) of the following conditions precedent:

(a) the Company having obtained approval by way of ordinary resolution(s) at the EGM by the relevant Shareholders (other than those who are required to abstain from voting) in respect of the issue and allotment of the Warrant and the Warrant Shares and the granting of authority to the Board to deal with all related matters and such approval remaining valid and effective;

(b) the Stock Exchange having approved the Warrant prior to its issue or grant and the Listing Committee of the Stock Exchange having granted the approval for the listing of and the permission to deal in all the Warrant Shares, and such approval remains valid and effective;

(c) there has been no occurrence of a material adverse change on or prior to completion of the Warrant Subscription Agreement;

(d) the Company's warranties included in the Warrant Subscription Agreement remaining true and accurate in all respects and not misleading in any respect on the date of Completion, and no event has occurred and no matter has arisen which would render any of the warranties untrue, inaccurate or misleading; and

(e) the Subscriber's warranties included in the Warrant Subscription Agreement remaining true and accurate in all respects and not misleading in any respect on the date of Completion, and no event has occurred and no matter has arisen which would render any of the warranties untrue, inaccurate or misleading.

The Company may not waive (in whole or in part, whether conditionally or unconditionally) any of the Conditions Precedent (except for (e)). The Subscriber may waive (in whole or in part, whether conditionally or unconditionally) any of the Conditions Precedent (except for (a), (b) and/or (e)).

If the Conditions Precedent have not been fulfilled (or as the case may be, waived) by the Long Stop Date, the Parties may terminate the Warrant Subscription Agreement whereupon such agreement (save and except the customary surviving provisions, which shall survive termination of the Warrant Subscription Agreement) shall lapse immediately thereafter and be of no further effect, but all rights and liabilities of the Parties which have accrued before termination shall continue to exist.

Warrant Shares

Upon fulfillment of the Exercise Condition, which shall render the Warrant exercisable, the Warrant Shares (being a maximum of 354,652,624 Shares in total) could be allotted and issued which represents:

i. approximately 20.00% of the existing issued share capital of the Company as at the date of the Warrant Subscription Agreement; and

ii. approximately 16.67% of the issued share capital of the Company as to be enlarged by the allotment and issue of the Warrant Shares (assuming that there is no other change to the total number of Shares from the date of the Warrant Subscription Agreement to the date of Completion).

As at the Latest Practicable Date, the Company did not have any derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

Completion

Subject to the Conditions Precedent being fulfilled (or as the case may be, waived), Completion shall take place within the 10th business day after the last Condition Precedent is satisfied or waived in accordance with the Warrant Subscription Agreement, or such other date as the parties may agree in writing.

Ranking	The Warrant Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with all other Shares in issue at the time of allotment and issue of the Warrant Shares.
Specific Mandate	The Warrant Shares will be allotted and issued under the Specific Mandate to be sought from the Shareholders at the EGM.
Listing application	An application has been made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Warrant Shares on the Stock Exchange.

2.2 Warrant Instrument

Pursuant to the terms of the Warrant Subscription Agreement, the Company shall create the Warrant by way of a deed poll instrument. The principal terms of the Warrants are set forth below:

Issuer	The Company
Number of Warrants	The Warrant is conditionally exercisable into the Warrant Shares (being a maximum of 354,652,624 Shares in total) in the manner set out in the Warrant Subscription Agreement. The Exercise Price at which the Shares are issued upon exercise of the Exercise Rights is adjusted from time to time in accordance with the warrant instrument conditions. Assuming no adjustment, the exercise ratio in respect of the number of Shares to be issued per Warrant is 1:1.

Exercise Condition(s)

The right of the Warrantholder(s) to exercise the Warrant shall be subject to the fulfillment, to the reasonable satisfaction of the Company, of the following condition (the "**Exercise Condition(s)**"):

(i) The Warrantholders (whether by oneself or with one another Warrantholder) must make or procure third party investor(s) to make Qualified Investment(s), being investment with an aggregate Value of no less than US$100 million or equivalent (or such other amount as mutually agreed between the Issuer and the Warrantholder) into the Group ("**Minimum Investment**"), in cash and/or assets of equivalent Value, by the third (3rd) anniversary of the issue date of the Warrant ("**Minimum Investment Deadline**"), in accordance with the following conditions:

(1) A "Qualified Investment" shall mean:

(A) an investment made in cash for new Securities issued by the Issuer, where the subscription price and terms of issuance are acceptable to the Issuer and comply with applicable laws and the Listing Rules. "Securities" shall mean any financial instruments issued by the Issuer that represent ownership, debt, or other rights in the Issuer, including but not limited to shares (ordinary, preference, or other classes), bonds, debentures, convertible instruments, warrants, options, hybrid instruments, or any other instruments that are recognised as securities under applicable Laws and the Listing Rules, and that may be issued in compliance with the Issuer's constitutional documents and all applicable regulatory requirements; or

(B) an investment made through the transfer of assets of equivalent value, where such assets are acceptable to the Issuer, independently appraised to the Issuer's reasonable satisfaction, and capable of being monetised or utilised by the Issuer in its business operations.

(2) The Qualified Investment must comply with all applicable laws and the Listing Rules, and all necessary consents, approvals, and waivers required for the investment must be obtained.

(3) The Minimum Investment must be completed at least ten (10) Business Days before the Warrantholder(s) delivers its notice of intention to exercise the Warrant.

(4) "Value" shall mean the aggregate fair market value of the cash and/or assets provided as part of the Qualified Investment, determined as follows:

(A) Cash Contributions: For cash contributions, the value shall be deemed equal to the amount of cleared funds received in the Issuer's designated bank account, free and clear of any deductions, set-offs, or encumbrances, and denominated in United States Dollars (USD). Where the investment is made in a currency other than USD, the value shall be determined based on the prevailing exchange rate quoted by a leading international bank selected by the Issuer on the date the funds or assets are received.

(B) Asset Contributions: For assets, the value shall (i) be based on an independent valuation conducted by an independent qualified valuer (having the meaning ascribed to it under the Listing Rules), where the Listing Rules or other applicable regulations require such valuation; or (ii) where no such requirement exists under the Listing Rules or other applicable regulations, be determined in such manner as may be agreed between the Issuer and the Warrantholder(s), having regard to the type and nature of the relevant assets.

If the Exercise Condition is not fulfilled to the satisfaction of the Issuer on or before the Minimum Investment Deadline, the right of the Warrantholder(s) to exercise the Warrant shall lapse and become null and void, unless the Issuer agrees, in writing and at its sole discretion, to extend the Expiration Date.

In the event that the Qualified Investment is determined by the Stock Exchange to be a reverse takeover and/or backdoor listing under Rule 14.06B and/or 14.06D of the Listing Rules, the Company will comply with the relevant requirements of the Listing Rules.

Undertaking from the Issuer in relation to the Exercise Condition

The Issuer acknowledges that the Warrantholder(s)'s fulfillment of the Exercise Condition requires the cooperation and assistance of the Issuer. Accordingly, the Issuer shall:

(i) Provide all reasonable assistance and cooperation to facilitate the fulfillment of the Exercise Condition, including but not limited to furnishing necessary information, certifications, or approvals as required for the Qualified Investment, in compliance with applicable Laws and the Listing Rules.

(ii) Promptly review and respond to any proposed terms of the Qualified Investment submitted by the Warrantholder for approval, including providing written approval or requesting reasonable amendments to ensure such terms are commercially acceptable to the Issuer.

(iii) Promptly apply for, obtain, and maintain any consents, approvals, or waivers required under applicable Laws and the Listing Rules for the Qualified Investment, to the extent such consents, approvals, or waivers fall within the Issuer's control or responsibility.

(iv) Notify the Warrantholder in writing as soon as reasonably practicable upon receipt of evidence of fulfillment of the Exercise Condition, specifying:

(1) whether the Exercise Condition has been satisfied; or

(2) any additional requirements necessary for the exercise of the Warrant, including any deficiencies in the documentation or process that must be remedied.

(v) Act reasonably and in good faith at all times in connection with the Warrantholder's efforts to fulfill the Exercise Condition.

The Issuer shall offer all reasonable assistance (including, among others, procuring execution of all necessary transaction documents notify the Warrantholder in writing as soon as reasonably practicable upon receipt of evidence of fulfillment of the Exercise Condition, specifying whether the Exercise Condition has been satisfied or any additional requirements necessary for the exercise of the Warrant.

Exercisability

The Warrant may be exercised in whole or in part during the Exercise Period upon fulfillment of the Exercise Condition.

Exercise Price

The Exercise Price is HK$0.09 (subject to adjustments) and shall not be less than the par value of a Share. The Exercise Price represents:

i. a discount of approximately 10% to the closing price of HK$0.10 per Share as quoted on the Stock Exchange on the date of the Warrant Subscription Agreement;

ii. a discount of approximately 12.96% to the average closing price of HK$0.1034 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately before the date of the Warrant Subscription Agreement up to and including the Last Trading Day; and

iii. a discount of approximately 14.12% to the average closing price of HK$0.1048 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day.

The Exercise Price of HK$0.09 (subject to adjustments) per Warrant Share was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the (i) recent trading prices of the Shares; (ii) the current market sentiment and the historical Share price; and (iii) the reasons for and benefits of the issue of the Warrant set out in the section headed "REASONS FOR AND BENEFITS OF THE ISSUE OF THE WARRANTS AND INTENDED USE OF PROCEEDS" below.

Warrant Shares	The Warrant Shares, being a maximum of 354,652,624 Shares to be issued by the Company pursuant to the terms of the Warrant, represents: i. approximately 20.00% of the existing issued share capital of the Company as at the date of the Warrant Subscription Agreement; and ii. approximately 16.67% of the issued share capital of the Company as to be enlarged by the allotment and issue of the Warrant Shares (assuming that there is no other change to the total number of Shares from the date of the Warrant Subscription Agreement to the date of Completion).
Rights on liquidation	If the Company is wound up before the Long Stop Date, all Exercise Rights which have not been exercised prior to the commencement of the winding-up shall lapse and the Warrant will cease to be valid for the purpose of exercising any Exercise Rights.
Transferability	**(A) Transferability prior to satisfaction of Exercise Condition(s)** The Warrant shall be transferrable only by the Initial Warrantholder to its Affiliates, provided that the Initial Warrantholder provides evidence reasonably satisfactory to the Issuer that the transferee qualifies as an Affiliate. Any purported transfer or exchange of the Warrant, in whole or in part, other than to an Affiliate, shall be null and void and shall not be recognised by the Issuer. The Warrant Certificate issued in respect of the Warrant may only be held by the Initial Warrantholder and/or its registered Affiliates, and no assignment, sale, transfer, or other disposition of the Warrant, whether voluntary or involuntary, shall be permitted except as expressly provided herein. For the avoidance of doubt, any Affiliate holding the Warrant shall not transfer, assign, sell, or otherwise dispose of the Warrant, in whole or in part, to any other person or entity. Any purported transfer by an Affiliate shall be null and void and shall not be recognised by the Issuer.

For the purposes of above, "Affiliate" means, in relation to the Initial Warrantholder: (a) any entity or individual that directly or indirectly controls, is controlled by, or is under common control with the Initial Warrantholder; or (b) any individual that is a director, senior management member, or employee of the Initial Warrantholder or any of its Affiliates as defined in (a) above.

The Initial Warrantholder shall provide documentary evidence reasonably satisfactory to the Issuer, such as corporate records, organizational charts, or other relevant materials, to demonstrate that the transferee meets the definition of an Affiliate prior to the registration of any transfer.

(B) Transferability upon satisfaction of Exercise Condition(s)

Upon the satisfaction of the Exercise Condition(s), the Warrant shall be freely transferrable.

The Warrant Certificate issued in respect of the Warrant may be held by any registered Warrantholder, and no further restrictions on the transferability, assignment, sale, or other disposition of the Warrant shall apply, except as may be required by applicable Laws, the Listing Rules, or the articles of association of the Issuer.

Adjustments

As agreed between the Company and the Subscriber, the Exercise Price shall be adjusted in each of the following cases (the "**Adjustment Event(s)**"):

(a) *Consolidation, Subdivision or Reclassification:* If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation, subdivision or reclassification, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

A is the nominal amount of one Share immediately after such alteration; and

B is the nominal amount of one Share immediately before such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

(b) *Capitalisation of Profits or Reserves:*

(A) If and whenever the Issuer shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account) including Shares paid up out of distributable profits or reserves and/or share premium account issued, save where Shares are issued in lieu of the whole or any part of a specifically declared cash Dividend (the "**Relevant Cash Dividend**"), being a Dividend which the Shareholders concerned would or could otherwise have received and which would not have constituted a Capital Distribution (a "**Scrip Dividend**"), the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate nominal amount of the issued Shares immediately before such issue; and

B is the aggregate nominal amount of the issued Shares immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

(B) In the case of an issue of Shares by way of a Scrip Dividend where the Current Market Price of such Shares on the date of announcement of the terms of such issue of Shares multiplied by the number of Shares issued exceeds the amount of the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Capital Distribution, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before the issue of such Shares by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the aggregate nominal amount of the issued Shares immediately before such issue;

B is the aggregate nominal amount of Shares issued by way of such Scrip Dividend multiplied by a fraction of which: (i) the numerator is the amount of the whole (or the relevant part) of the Relevant Cash Dividend; and (ii) the denominator is the Current Market Price of the Shares issued by way of Scrip Dividend in respect of each existing Share in lieu of the whole (or the relevant part) of the relevant cash dividend; and

C is the aggregate nominal amount of Shares issued by way of such Scrip Dividend.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, the day immediately after such record date.

(c) *Capital Distribution:* If and whenever the Issuer shall pay or make any Capital Distribution to the Shareholders (except where the Exercise Price falls to be adjusted under Adjustment Event 6.6(b) above), the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such Capital Distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Share on the last Trading Day preceding the date on which the Capital Distribution is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the Capital Distribution attributable to one Share.

Such adjustment shall become effective on the date that such Capital Distribution is made.

(d) *Dividends:* If and whenever the Issuer shall pay or make any Dividend to the Shareholders, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such Dividend by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Share on the last Trading Day preceding the date on which the Dividend is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the cash distribution attributable to one Share.

Such adjustment shall become effective on the date that such Dividend is paid.

(e) *Rights Issues of Shares or Options over Shares:* If and whenever the Issuer shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class, by way of rights, of options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than the Current Market Price per Share, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Shares in issue immediately before such announcement;

B is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options or warrants or other rights issued or granted by way of rights and for the total number of Shares comprised therein would purchase at such Current Market Price per Share; and

C is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be).

(f) *Rights Issues of Other Securities:* If and whenever the Issuer shall issue any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares) to all or substantially all Shareholders as a class, by way of rights, or the issue or grant to all or substantially all Shareholders as a class by way of rights, of any options, warrants or other rights to subscribe for or purchase or otherwise acquire, any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares), the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Share on the last Trading Day preceding the date on which such issue or grant is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be).

(g) *Issues at less than Current Market Price:* If and whenever the Issuer shall issue (otherwise than as mentioned in Condition 6.6(d)) any Shares (other than Shares issued on the exercise of Exercise Rights or the options granted by the Issuer pursuant to its employee share option schemes, or any other rights of conversion into, or exchange or subscription for, Shares) or the issue or grant of (otherwise than as mentioned in Adjustment Event I above and other than the options granted by the Issuer pursuant to its employee share option schemes) options, warrants or other rights to subscribe or purchase Shares in each case at a price per Share which is less than the Current Market Price on the last Trading Day preceding the date of announcement of the terms of such issue, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for or purchase any Shares;

B is the number of Shares which the aggregate consideration (if any) receivable by the Issuer for such additional Shares to be issued or otherwise made available or, as the case may be, upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price per Share; and

C is the maximum number of additional Shares issued or the maximum number of Shares that may be issued upon exercise of such options, warrants or rights.

References to additional Shares in the above formula shall, in the case of an issue or grant by the Issuer of options, warrants or other rights to subscribe for or purchase Shares, mean such Shares to be issued, or otherwise made available, assuming that such options, warrants or other rights are exercised in full at the initial exercise price (if applicable) on the date of issue or grant of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the grant of such options, warrants or other rights.

(h) *Other Issues at less than Current Market Price:* Save in the case of an issue of securities arising from a conversion or exchange of other existing securities in accordance with the terms applicable to such existing securities themselves falling within the provisions of this Adjustment Event (h), if and whenever the Issuer or any Subsidiary of the Issuer (otherwise than as mentioned in Adjustment Events (d), (f) or (g) above) or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary) any other company, person or entity (otherwise than as mentioned in Adjustment Event (d), (f) or (g) above) shall issue any securities (other than the Warrant and the options granted by the Issuer pursuant to its employee share option schemes) which by their terms of issue carry (directly or indirectly) rights of exercise into, or exchange or subscription for or purchase of, or to otherwise acquire, Shares issued or to be issued by the Issuer or securities which by their terms may be redesignated Shares receivable upon conversion, exchange, subscription or redesignation at a consideration per Share which is less than the Current Market Price on the last Trading Day preceding the date of announcement of the terms of issue of such securities, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Shares in issue immediately before such issue or grant (but where the relevant securities carry rights of conversion into, or rights of exchange or subscription for, or purchase or acquisition of, Shares which have been issued by the Issuer for the purposes of, or in connection with, such issue, less the number of Shares so issued);

B is the number of Shares which the aggregate consideration (if any) receivable by the Issuer for the Shares to be issued or otherwise made available upon exercise or exchange or on exercise of the right of subscription or purchase or acquisition attached to such securities or, as the case may be, the Shares would purchase at such Current Market Price per Share; and

C is the maximum number of Shares to be issued or otherwise made available upon exercise or exchange of such securities or on the exercise of such rights of subscription or purchase or acquisition attached thereto at the initial exercise, exchange or subscription price or rate or, as the case may be, the maximum number of Shares to be issued or to arise or to be made available from any such redesignation.

Such adjustment shall become effective on the date of issue of such securities.

(i) *Modification of Rights of Exercise etc.:* If and whenever there is any modification of the rights of exercise, exchange, subscription, purchase or acquisition attaching to any such securities as are mentioned in Adjustment Event (h) above (other than in accordance with the existing terms applicable to such securities) so that the consideration per Share (for the number of Shares available on exercise, exchange or subscription following the modification) is less than the Current Market Price on the last Trading Day preceding the date of announcement of the proposals for such modification, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such modification by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Shares in issue immediately before such modification (but where the relevant securities carry rights of conversion into, or rights of exchange or subscription for, or purchase or acquisition of, Shares which have been issued by the Issuer for the purposes of, or in connection with, such issue, less the number of Shares so issued);

B is the number of Shares which the aggregate consideration (if any) receivable by the Issuer for the Shares to be issued, or otherwise made available, on exercise or exchange or on exercise of the right of subscription, purchase or acquisition attached to the securities so modified would purchase at such Current Market Price per Share or, if lower, the existing exercise, exchange, subscription or purchase price of such securities; and

C is the maximum number of Shares to be issued, or otherwise made available, on exercise or exchange of such securities or on the exercise of such rights of subscription, purchase or acquisition attached thereto at the modified exercise, exchange, subscription or purchase price or rate but giving credit in such manner as the Expert considers appropriate (if at all) for any previous adjustment under this Adjustment Event (h) or Adjustment Event (i) above.

Such adjustment shall become effective on the date of modification of the rights of exercise, exchange, subscription, purchase or acquisition attaching to such securities.

(j) *Other Offers to Shareholders:* If and whenever there is an issue, sale or distribution by or on behalf of the Issuer or any Subsidiary or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary) any other company, person or entity of any securities in connection with an offer by or on behalf of the Issuer or any Subsidiary or such other company, person or entity pursuant to which offer the Shareholders generally (meaning for these purposes the holders of at least 50 per cent. of the Shares outstanding at the time such offer is made) are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Exercise Price falls to be adjusted under Adjustment Events (d), (f), (g) or (h) above), the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue, sale or distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Share on the last Trading Day preceding the date on which such issue is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue, sale or distribution of the securities.

Voting	The Warrantholder will not be entitled to receive notice of or attend or vote at general meetings of the Company by reason only of being the holders of a Warrant. The Warrantholder will not be entitled to participate in any distribution and/or offers of further securities made by the Company by reason only of being the holders of the Warrants.
Nomination and appointment of senior adviser	Subject to compliance with the applicable laws and the Listing Rules: (a) the Initial Warrantholder shall have the right during the Exercise Period to nominate one person to serve as the position of senior adviser of the Issuer by giving notice in writing to the Issuer; (b) the Issuer shall undertake to use its reasonable endeavours to convene a meeting of the Board for the appointment of the person nominated by the Initial Warrantholder, provided that (i) such person shall be suitable for acting in the position of senior adviser, as determined by the Board in good faith and to the extent required by applicable laws and regulations; and (ii) such appointment shall be subject to the execution of a contract between the Issuer and such person, setting out the terms and conditions of such engagement, including duties, responsibilities, remuneration (if any), and duration of appointment, in accordance with the Issuer's corporate governance requirements. PROVIDED THAT: (i) the right of nomination under this warrant instrument condition shall only be available to the Initial Warrantholder, for so long as the Initial Warrantholder is the holder of any Warrant; and (ii) for the avoidance of doubt, no subsequent Warrantholder, nor any transferee of the Warrant (whether in whole or in part), shall be entitled to exercise the rights under this warrant instrument condition.
Listing	No application will be made for the listing of the Warrant on the Stock Exchange or any other stock or securities exchange.

3. REASONS FOR AND BENEFITS OF THE ISSUE OF THE WARRANT AND INTENDED USE OF PROCEEDS

The issuance of the Warrant to the Subscriber, PM Partners I LP, is a strategic decision by the Company aimed at incentivising the Subscriber to assist the Company in attracting investments. The Directors believe that the fulfillment of the Exercise Condition, which requires the Subscriber to procure Qualified Investments of at least US$100 million or equivalent within three years from the date of issuance of the Warrant, will significantly enhance the Company's financial position. Such investments are expected to provide much-needed capital for the Issuer's operations, improve liquidity, and strengthen the Company's ability to pursue its long-term business strategy and growth objectives.

The rise of slow fashion and customization saw a corresponding decline in fast fashion in 2024, as more consumers gravitated towards slow fashion and customization. Consumers began to prioritize quality over quantity, resulting in some of our major customers to adopt made-to-order models. Furthermore, geopolitical tensions and supply chain disruptions in recent years led our customers to explore nearshoring and reshoring options. Our customers may source closer to home reduced lead times and reliability. Nearshoring, particularly in the United States and within the EU, allow customers to respond more quickly to consumer demands and changing fashion trends. The above factors coupled with the recent tariffs imposed by the United States government would lead to more intense competition from suppliers of other countries and also lead to price reductions and reduction in our profit margin.

Having considered the fact that (i) competition in its business is getting more intense; and (ii) the previous diversification initiatives, such as the expansion into factory subleasing in 2019 and the acquisition of businesses in fabric care, personal hygiene, and home care products in 2022 have produced limited returns on investment, the Company is looking forward to having a breakthrough on its business development by entering into this subscription agreement whereby the Subscriber shall procure promising business opportunities with an aggregate Value of Qualified Investments of US$100 million, which may be provided in either cash or assets of equivalent value. The Company will comply with the relevant Listing Rules as and when appropriate. The threshold for the Qualified Investment of US$100 million was established through an arms' length negotiation between the Company and the Subscriber, taking into account (i) the size of investment targets that the Subscriber is confident can be procured; and (ii) the value of investments that Company is capable of making considering its resources such as its expected borrowing power and issuance of the new consideration Shares which may be used to settle considerations for the Qualified Investments.

In particular, the Board considers that the current total liabilities to assets ratio of 12.81% (calculated based on the total borrowings, divided by the total assets of the Group as at 31 December 2024) and the estimated total liabilities to assets ratio of 68.3% (assuming the Qualified Investments of US$100 million entirely financed by borrowings and the total liabilities and assets of the Group enlarged by US$100 million), the Board is in the view that the Company can sustain an acceptable total liabilities to assets ratio that effectively balances risk and opportunity and within the range of industry averages of various sectors. If the Qualified

Investments of US$100 million are entirely settled by the issuance of consideration shares, it will enhance the equity base of the Company which will further support investments and growth. This makes the threshold a prudent target aligned with the Company's financial capabilities and strategic goals.

The Directors are of the view that setting the US$100 million threshold is a strategic move that demonstrates confidence in the Company's growth potential and the ability to attract substantial investments. The Directors is committed to transparency and accountability, and it views this threshold as a catalyst for enhancing shareholder value while maintaining a prudent approach to financial and operational risks. The Company is confident that this decision will foster a positive environment for collaboration with the Subscriber and ultimately contribute to the Company's long-term success.

By considering these factors, the Directors are assured that the US$100 million threshold is both prudent and beneficial for the Company and its stakeholders, reinforcing its commitment to responsible governance and strategic foresight.

In respect of the Qualified Investments, the Company had expressed its preference to the Subscriber that the investment plan should involve the injection of cash and/or strategic assets that are aligned with or related to the Company's business model and long-term development strategies. While in principle, the Company welcomes investments that increase shareholders' value, the Company had in particular indicated that it welcomes investments in intellectual property ("**IP**") assets, including (1) licensing or acquisition of well-known entertainment characters that can be used in the Company's cosplay costume designs and related merchandise, or (2) acquisition of IP developers or owners with robust portfolios of diverse IP assets; encompassing sectors such as:

- Toys Sector, including blind box collectibles designers and operators specializing in designer toys and collectibles;

- Gaming Sector, including digital entertainment platforms developing, publishing and distributing mobile games through applications and websites; and

- Animation Sector, including content production studios and animation developers creating original animated series, films, and digital content with strong character IP portfolios for multi-platform distribution and licensing opportunities.

The relevant details of Qualified Investments in the abovementioned sectors are as below:

	Toys Sector	Gaming Sector	Animation Sector
Business Model	**Core Offering:** • Designer toys and collectibles, including blind box series featuring original and licensed characters. **Revenue Streams:** • **Direct Sales:** E-commerce and retail store sales. • **Wholesale:** Distribution to third-party retailers. • **IP Collaborations:** Revenue from licensing agreements and co-branded products. **Marketing Strategy:** • **Social Media Campaigns:** Engage consumers through social media platforms. • **Influencer Partnerships:** Collaborate with influencers to promote new releases. • **Limited Editions:** Create urgency with exclusive drops and limited runs. **Distribution Channels:** • **E-commerce Platform:** Direct-to-consumer sales through a dedicated website. • **Retail Partnerships:** Collaborations with specialty toy stores and large retailers. • **Pop-Up Events:** Engage consumers at conventions and fairs.	**Core Offerings:** • Development and publishing of mobile games across various genres (e.g., action, strategy, RPG). • Distribution through app stores and web platforms. **Revenue Streams:** • **In-App Purchases:** Revenue from players buying virtual goods or currency. • **Advertising:** Income from ad placements within free-to-play games. • **Direct Sales:** Revenue from selling mobile games. • **Subscription Services:** Monthly fees for premium content or ad-free experiences. **Marketing Strategy:** • **Social Media Campaigns:** Engage users through social media platforms. • **Influencer Partnerships:** Collaborate with gaming influencers to promote new titles. • **Community Engagement:** Foster online communities through forums and social media. **Distribution Channels:** • **App Stores:** Major mobile phone application platforms. • **Web Platforms:** Direct distribution through a branded website. • **Partnerships:** Collaborate with third-party distributors for broader reach.	**Core Offerings:** • Original animated series and films for children and family audiences. • Digital content, including short animations and web series. • Licensing of character IPs for merchandise and collaboration. **Revenue Streams:** • **Content Sales:** Direct sales of animated series and films to broadcasters and streaming platforms. • **Licensing Fees:** Revenue from licensing character IPs for merchandise and collaborations. • **Merchandising:** Sales of products featuring character IPs. • **Advertising Revenue:** Income from ads on digital content platforms. **Marketing Strategy:** • **Social Media Campaigns:** Engage audiences on social media platforms. • **Content Promotion:** Utilize trailers, teasers, and behind-the-scenes content to build anticipation. • **Community Engagement:** Foster a fan community through interactive content and events. **Distribution Channels:** • **Streaming Platforms:** Partner with platforms like Netflix, Disney+, and local services. • **Television Networks:** Sell content to traditional broadcasters. • **Merchandising Partners:** Collaborate with toy and apparel manufacturers for character products.
Financing plan	Qualified Investments will be funded through debt financing with external financial institutions, equity financing or internal resources, or a combination of the above measures.		

	Toys Sector	Gaming Sector	Animation Sector
Estimated Investment	The maximum number of Qualified Investments is expected to be four, with each individual investment estimated to fall within the range of US$10 million to US$50 million, subject to factors including but not limited to the scale, quality of intellectual property assets, brand strength, financial performance and operational characteristics of the respective investee companies.		
Prospects	**Market Growth:** • The global designer toy and collectibles market continues to show strong growth momentum, driven by increasing consumer interest in collectible items and the popularity of blind box formats. **Target Audience:** • Primarily millennials and Gen Z consumers, with growing appeal across various age demographics. **Core Competence:** • Focus on innovative designs, strategic IP collaborations, and effective community engagement to differentiate from competitors.	**Market Growth:** • The mobile gaming industry demonstrates robust expansion potential, supported by widespread smartphone adoption and increasing user engagement globally. **Target Audience:** • Primarily targeting millennials and Gen Z gamers, with potential for older demographics as well. **Core Competence:** • Focus on innovative gameplay, high-quality graphics, and engaging narratives to differentiate from competitors.	**Market Growth:** • The animation content market is expected to show strong growth trajectory, driven by increasing demand for animated content across multiple distribution platforms and formats. **Target Audience:** • Primary focus on children and family audiences, with potential expansion to adult demographics through diverse content genres. **Core Competence:** • Strong character IP portfolios and high-quality animation production can differentiate the business in a crowded market.
Evaluation Factors	**Market Assessment:** • Comprehensive evaluation of target market size, growth potential, consumer demand trends, and competitive landscape to ensure viable investment opportunities and sustainable market positioning. **IP Assets Quality:** • Assessment of intellectual property value, exclusivity rights, brand recognition potential, licensing opportunities, and commercial viability to maximize long-term value creation. **Strategic Alignment:** • Evaluation of how each potential investment aligns with the Company's existing business model, core competencies, strategic objectives, and ability to create synergies with current operations. **Financial Viability:** • Analysis of revenue potential, cost structure, profitability projections, return on investment expectations, and funding requirements to ensure sound financial performance. **Operational Capabilities:** • Review of management team expertise, operational infrastructure, production capabilities, quality control systems, and scalability potential for sustainable growth. **Risk Assessment:** • Evaluation of market risks, regulatory compliance requirements, intellectual property risks, operational challenges, and mitigation strategies to protect investment value. **Value Creation Potential:** • Assessment of potential for enhancing shareholder value through revenue diversification, market expansion opportunities, brand enhancement, and long-term competitive advantages.		

These preferred areas of investments which are consistent with the Company's principal business strategies as disclosed in the annual report of the Company for the year ended 31 December 2024. While each sector operates with distinct business models, they collectively form a strategically synergistic ecosystem that amplifies the Company's competitive advantages and long-term viability. The integration of the Company's investments in these sectors is designed to general common potential synergies that may strengthen the Company's core competitiveness and position it for sustainable growth include:

1. **Vertical Integration Opportunities:** Character IP developers' collaboration with the Company's R&D team to transform imaginative concepts into commercially viable product designs. Such an integration could enable seamless incorporation of character IPs into diverse product lines, maximizing market potential and driving brand engagement across toys, collectibles, apparel and accessories.

2. **Enhanced Product Innovation and Differentiation:** High-value, commercially validated gaming and animation franchises enabling effective merchandise differentiation and support cross-media exploitation. These proprietary IP assets could drive innovation in the Company's products such as cosplay costumes, wigs, personal hygiene and home care products, establishing competitive barriers and solidifying market leadership.

3. **Diversification and Expanded Market Reach:** Acquired IP portfolios enabling the Company to expand beyond traditional product manufacturing and tap into new business including content licensing, merchandise development, and multi-platform distribution. This diversification could create additional revenue channels while reducing dependency on a single revenue stream, positioning the Company to capture value across the entire IP ecosystem and poised for sustainable growth.

4. **Enhanced Brand Portfolio and Premium Market Positioning:** Aligning the Company's brand with recognized IPs to enhance its credibility and prestige within the marketplace. This strategic association could enable the Company to command premium pricing and drive higher sales volumes. Such partnerships could foster customer loyalty and bolster brand recognition, establishing a strong emotional connection with consumers. An elevated brand presence may allow the Company to penetrate new markets effectively, attract diverse customer segments, and cultivate long-term relationships with clients. Ultimately, this enhanced brand perception could facilitate the Company's ability to navigate competitive environments successfully and improve overall profitability.

In summary, all potential Qualified Investments that we seek target to increase long term shareholder value.

Accordingly, the Exercise Condition was structured to ensure that the Warrants would only become exercisable upon the Subscriber delivering meaningful strategic value to the Company.

PM Partners I LP is a limited partnership registered in the British Virgin Islands and an affiliate of PAG Pegasus Fund LP ("**PAG Pegasus**"). PAG Pegasus is an institutional investor with an extensive and proven track record of successful investments across Asia and the global markets. PAG Pegasus is an affiliate of PAG, one of the leading alternative asset investment firms focussed on APAC with three core strategies: Credit & Markets, Private Equity, and Real Assets. PAG Pegasus is founded and managed by Mr. Jack Li. PAG Pegasus operates as a hybrid investment platform, specialising in both public and private market opportunities across the capital structure in Asia and globally. By leveraging PAG Pegasus's institutional expertise across primary and secondary markets, PAG Pegasus provides access to unique investment opportunities and delivers significant value to its investment partners and portfolio companies.

The Directors are confident that the issuance of the Warrant, on these terms, provides an efficient and effective structure to align the Subscriber's interests with those of the Company. By issuing the Warrant at a nominal value of HK$1 and tying its exercisability to the successful fulfillment of the Exercise Condition, the Company minimises upfront dilution while securing a strong commitment from the Subscriber. Upon satisfaction of the Exercise Condition, the anticipated investments will improve the Issuer's financial position and enhance its credibility, opening doors to additional collaborations and investment opportunities.

It is the Subscriber's request that it should be given the nomination right of senior advisor for the Company to maintain a regular communication channel between the Subscriber and the Board on corporate and financial matters. The Subscriber's rationale is to leverage its expertise and professional network to nominate a suitable, qualified and trusted advisor to advise the Company on corporate and financial matters, such as equity-related transactions, investment opportunities, and long-term capital planning. The Subscriber believes such nomination would enable the Company to access to appropriate professional advice which will be beneficial to the Company's investment.

The Company is of the view that this request is fair and reasonable for the Company, considering that (i) such nomination right enables the Company to access to the professional advice of senior advisor; (ii) the costs of senior advisor will be borne by the Subscriber; (iii) the Company is at liberty to determine whether to follow the advice of senior advisor nominated by the Subscriber or not; and (iv) the Company may also appoint another external advisor for second opinion if and when it deems necessary. Therefore, the Company does not object to the Subscriber's request to have the nomination right of senior advisor.

The main role of the senior advisor is to advise on corporate and financial matters, including equity-related transactions, investment opportunities, and long-term capital planning.

The Company will consider whether to invite the senior advisor to attend the Board meeting on case-by-case basis, taking into account whether input from the senior advisor is helpful to assist the Board to understand the particular matters. In particular, the Company may consider inviting the senior advisor to explain to the Board on potential M&A opportunities, fund raising related activities or certain technical aspects of the corporate and financial matters

and to offer input and help the Board to understand certain strategic initiatives and investment and growth objectives of the Company.

Basis of determination of the Exercise Price

The Exercise Price of the Warrant has been set at HK$0.09, representing a discount of approximately 10% to the closing price of HK$0.10 per Share as quoted on the Stock Exchange on the date of the Warrant Subscription Agreement. The Directors believe that this pricing is fair and reasonable, taking into account (1) the share price performance of the Issuer over the past 12 months; and (2) the valuation of the Warrant.

The Issuer's share price for the 12 months immediately before the date of the Warrant Subscription Agreement has demonstrated fluctuations, with the price generally ranging between HK$0.048 and HK$0.154. The Exercise Price of HK$0.09 is within this range and reflects a balanced approach that aligns the pricing with recent trading levels while providing a modest discount to incentivise the Subscriber.

In determining the Exercise Price, the Company reviewed the closing price performance of the Shares over the 12-month period preceding the date of the Warrant Subscription Agreement. During this period, the Shares traded within a range of approximately HK$0.048 to HK$0.154, with the majority of trading activity concentrated between HK$0.07 and HK$0.12. The average closing price over the 12-month period was approximately HK$0.0945. The Exercise Price of HK$0.09 represents a modest discount of approximately 4.8% to this 12-month average. The Directors consider this discount to be reasonable, as it strikes a balance between providing a modest incentive to the Subscriber and reflecting recent trading levels. The pricing remains well within the historical trading band and is consistent with market practice for fund raising exercise utilising general mandate which involves modest discount to the subscription price or exercise price of shares.

The Company also took into account the broader market conditions and investor sentiment for small and mid-cap issuers listed on the Stock Exchange. In light of heightened market volatility, investor risk aversion, and generally tighter fundraising conditions, the Exercise Price was set at a level that reflects a realistic and market-aligned valuation while still offering a modest incentive to the Subscriber to commit to the investment structure.

The Directors acknowledge that the Warrant has an intrinsic value, given that the Exercise Price of HK$0.09 is lower than the closing price of HK$0.10 per Share, and that upon full exercise of the Warrant, a maximum of 354,652,624 Shares shall be issued by the Company. However, the nominal issue price of the Warrant at HK$1 is justified for the following reasons:

1. Unlike ordinary warrant issuances that are typically priced at market rates, this Warrant is structured as an incentive mechanism where its exercisability is tied to the fulfillment of the Exercise Condition. The Subscriber will only be able to realize value from the Warrant if and when it successfully procures investments of at least US$100 million or equivalent for the Issuer. Therefore, the warrant issuance structure shall mitigate undesirable dilution risks by ensuring that Shares are issued only in exchange for significant capital inflows into the Company. Issuing the Warrant at a nominal consideration of HK$1 allows the Company to secure a binding commitment from the Subscriber to procure at least US$100 million or equivalent in Qualified Investments, without the Company needing to immediately issue additional equity or incur debt obligations. The Company shall benefit from the warrant issuance by leveraging the Subscriber's expertise and network to attract substantial third-party investments, ensuring that capital inflows are strategic, value-driven, and aligned with the Company's long-term business objectives.

2. Upon full exercise of the Warrant, the Company stands to receive proceeds equivalent to HK$31.92 million (HK$0.09 per Share x 354,652,624 Shares), contingent on the US$100 million or equivalent investment commitment. This represents a substantial capital inflow that significantly outweighs the nominal HK$1 issue price, ensuring a net positive financial impact on the Company. This capital can be deployed to expand the Issuer's principal business, enhance product offerings, strengthen market position, and create long-term value for Shareholders.

Framework in determining and assessing suitability of candidate as senior adviser

As indicated in the terms of the Warrant instrument, to facilitate the fulfillment of Exercise Condition, the Subscriber shall have the right, as it sees fit, to nominate a person as the senior adviser of the Company.

The Company has established a framework based on objective and governance-driven criteria to ensure that the nominated individual is appropriate for the role and capable of fulfilling the responsibilities expected of the position. Specifically, the Board will assess the suitability of the nominee against the following considerations:

1. Professional Experience and Expertise – The nominee should have demonstrable experience in investment, finance, corporate development, or related fields, particularly with respect to capital raising, deal sourcing, and investor relations. Prior track record of securing third-party investments or involvement in corporate transactions will be considered favourably.

2. Relevance to the Issuer's Business – The nominee should possess knowledge or insight that is relevant to the Company's principal business activities, strategic priorities, or target investor base.

3. Reputation and Integrity – The nominee must be of good character and reputation, and must not have any record of regulatory sanctions, bankruptcy, criminal conviction (especially relating to fraud or dishonesty), or any other circumstances that would raise governance or reputational concerns.

The Board will consider these criteria in good faith and in line with its fiduciary duties to the Company and its shareholders. Where the nominee meets the above standards, the Company will approve the appointment and enter into a contract setting out the scope, expectations, and terms of the adviser's role.

The senior adviser will act as a strategic adviser to the Board and senior management of the Company, with a particular focus on assisting the Company in securing Qualified Investments in line with the Exercise Condition attached to the Warrant. The senior adviser is expected to provide expertise in business development, investment strategy, and investor engagement, leveraging their industry knowledge and network to support the Company's capital raising efforts.

The Senior Adviser will advise on corporate and financial matters, including equity-related transactions, investment opportunities, and long-term capital planning. The Company will consider whether to invite the senior advisor to attend the Board meeting on case-by-case basis, taking into account whether input from the senior advisor is helpful to assist the Board to understand the particular matters. In particular, the Company may consider inviting the senior advisor to explain to the Board on potential M&A opportunities, fund raising related activities or certain technical aspects of the corporate and financial matters and to offer input and help the Board to understand certain strategic initiatives and investment and growth objectives of the Company.

The appointment is governed by a letter of appointment which outlines the scope of duties, including participation in investor relations activities and ongoing advisory support to management. Furthermore, the senior adviser is also subject to duties of confidentiality equivalent to the standard applicable to the directors and senior management of the Company.

Pursuant to the appointment letter to be entered into between the Company and the senior advisor, (i) the senior advisor shall maintain confidentiality for all the information relating to the Group and (ii) the senior advisor shall agree to be treated as insider and not to deal in the Shares whenever the senior advisor possesses any non publicly disclosed inside information of the Group. Further, the Company shall ensure that it will not provide any inside information of the Group to the senior advisor. The Company and the senior advisor will comply the disclosure of inside information under section 307A(1) of Part XIVA the Securities and Futures Ordinance (Cap. 571) (SFO), the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission and the insider dealing under sections 270 and 291 of SFO.

As confirmed by the Subscriber, such person is expected to be Mr. Jack Li, who shall receive nil remuneration, to serve in the position of senior adviser at the Company for a term of 3 years until the end of the Exercise Period. The Directors believe that the proposed appointment shall bring significant strategic benefits. Mr. Jack Li is a Partner at PAG. He founded PAG Pegasus Fund in 2021 and co-founded NASDAQ-listed Gobi Acquisition Corp where he served as CEO, CFO, and director. Mr. Li joined PAG in 2010 as a founding member of PAG's private equity strategy. Prior to PAG, Mr. Li worked as an Associate in the special situations team at Merrill Lynch, responsible for sourcing, evaluating, negotiating, and managing investments in the debt and equities of public and private companies globally. Mr. Li holds bachelor's degrees in Economics and East Asian Studies from The Johns Hopkins University, a master's degree in Finance from the University of Cambridge, and an MBA from Harvard Business School. He is a CFA Charterholder. With a strong background in identifying and executing high-value investment opportunities, Mr. Li has been instrumental in sourcing, executing, and managing investments across a broad range of industries. Given his proven track record and expertise, if Mr. Li shall be appointed as the senior adviser of the Company, it will enhance the Company's ability to develop its principal business, strengthen financial strategies, and create long-term shareholder value.

Parameter in assessing fulfilment of Exercise Conditions

The Company intends to apply a clear, fair, and objective framework in making such assessment. In particular, the Company will evaluate whether the proposed investment(s) satisfy the following key criteria:

1. Form of Investment – The investment must involve a bona fide subscription for new securities of the Company (including shares, convertible instruments, bonds, etc.) or a contribution of assets that are capable of being monetised or used in the Company's operations, in each case in compliance with the Company's constitutional documents, applicable laws, and the Listing Rules.

2. Investor Credibility – The Board will consider the background, reputation, and source of funds of the proposed investors, to ensure credibility of the investors.

3. Valuation and Documentation – The value of the investment must be supported by documentation satisfactory to the Company. For non-cash asset contributions, the value must be supported by an independent valuation where required by applicable laws or the Listing Rules. All investment transactions must be properly documented, and any necessary shareholder or regulatory approvals must be obtained.

4. Formal Board Approval – The Company will only deem the Exercise Condition fulfilled if the above conditions are met and the investment is formally accepted and approved by the Company's board of directors. This ensures that the process is overseen by appropriate corporate governance measures and that the Directors act in accordance with their fiduciary duties.

Upon entering into the Warrant Documents with the Subscriber and appointing the senior adviser nominated by the Subscriber, the Subscriber will use reasonable commercial endeavours to secure the Qualified Investments for the Group. Furthermore, to incentivize the Subscriber, the Company does not anticipate collaborating with other parties for fund raising activities over the next 18 months, which represents half the duration of the Minimum Investment Deadline.

Given (1) the hurdles and uncertainties for meeting the US$100 million target and fulfilling the Exercise Conditions; (2) the senior advisor will not be paid any remuneration for the position; and (3) even if the Exercise Conditions may be met, there presents regulatory uncertainties in respect of potential deemed listing, the Company is of the view that it is reasonable to provide a modest discount in respect of the Exercise Price of the Warrants in order to incentivise the Subscriber to meet the Exercise Conditions, which will eventually significantly improve the net asset value of the Company with the injection of assets and cash.

Having considered the reasons and benefits set out above, the Directors are of the view that the terms and conditions of the Warrant Subscription Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Use of proceeds

Upon Completion, and assuming full exercise of the subscription rights attaching to the Warrant, the estimate gross proceeds and net proceeds (after deducting other related expenses and professional fees) from the Warrant Subscription will amount to approximately HK$31.9 million and HK$31.5 respectively. The Company intends to use the net proceeds in the following manner:

(i) approximately 60% for enhancing the production capabilities and market reach of wigs and clothing business segment of the Company;

(ii) approximately 20% for enhancing the production capabilities and market reach of the business segment of fabric care, personal hygiene, and home care products; and

(iii) approximately 20% for the general working capital of the Group.

The Company intends to utilise approximately HK$18.95 million, representing 60% of the net proceeds, to enhance the production capabilities and market reach of its wigs and clothing business segment, which forms a core part of the Group's operations. As disclosed in the circular dated 13 February 2025, the Company is currently undertaking a construction project in Yichun City, PRC, which includes the development of new production lines to increase capacity and operational efficiency. The total construction cost for the project is approximately RMB86.2 million, of which a portion has already been satisfied by internal resources and proceeds from a previous fundraising exercise (VSD). The remaining funding gap of approximately RMB22.3 million is expected to be partially covered by the proceeds from the exercise of the Warrant. The Company expects the net proceeds from the exercise of the subscription rights attaching to the Warrant relating to expansion of production capabilities to be utilized within a period of two years from 2026, while the net proceeds for other aspects are expected to be utilised within 2 years after the exercise of such subscription rights.

The Company intends to allocate approximately HK$6.32 million (20% of the net proceeds) shall be utilized for enhancing the fabric care, personal hygiene, and home care products segment. This includes:

a. Upgrading production lines through automation, to improve throughput and reduce dependency on manual labour, as well as adopting data-driven tools and analytics in the production process to enhance quality control, inventory efficiency, and responsiveness to market demand (HK$3 million); and

b. Marketing initiatives and brand-building efforts, including participation in industry exhibitions and digital marketing campaigns (HK$3.32 million) to improve customer reach and channel development, both online and offline.

The Company intends to allocate approximately HK$6.32 million (20% of the net proceeds) towards general working capital. This allocation is broken down as follows:

a. HK$2.21 million for staff costs, including salaries and related welfare expenses to retain and support core employees across production, operations, and management teams;

b. HK$2.53 million for raw materials and input costs associated with the manufacture of the Group's products, helping to ensure stable supply in response to order growth; and

c. HK$1.58 million for day-to-day operating expenses, including utilities, logistics, equipment maintenance, and administrative overhead.

If the Directors consider appropriate, the proceeds may also be applied to potential new business or assets that may be brought into the Company by the Subscriber from time to time.

The expected timing of use of proceeds is upon the exercise of the Warrant by the Subscriber. In the event where the Warrant is not exercised, the Group shall not rule out the possibility of raising new capital by alternative fund raising methods if the subscription rights attaching to the Warrant is not exercised.

4. EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the past twelve months immediately prior to the date of this circular.

5. EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company had a total of 1,807,263,120 Shares in issue. For illustration purposes only and assuming that there will be no further changes in the issued share capital of the Company prior to exercising of the Warrant and no adjustment to the Exercise Price, set out below are the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon exercising of the subscription rights attaching to the Warrant in full:

	As at the Latest Practicable Date		**Immediately upon exercising of the subscription rights attaching to the Warrant in full**	
	Number of Shares (Note 1)	*Approx. %*	*Number of Shares (Note 1)*	*Approx. %*
The Subscriber	–	–	354,652,624	16.40%
Master Professional Holdings Limited *(Note 2)*	421,859,000	23.34%	421,859,000	19.51%
Mr. Teng Hao *(Note 3)*	2,500,000	0.14%	2,500,000	0.12%
Mr. Xu Chengwu *(Note 4)*	8,000,000	0.44%	8,000,000	0.37%
Mr. Li Bin	168,561,000	9.33%	168,561,000	7.80%
Other Public Shareholders	1,206,343,120	66.75%	1,206,343,120	55.80%
TOTAL	1,807,263,120	100.00%	2,161,915,744	100.00%

Notes:

1. The Company has outstanding options granted under the Share Option Scheme to subscribe for 35,200,000 Shares as at the date of this circular.

2. As at the Latest Practicable Date, Master Professional Holdings Limited is 100% beneficially owned by Mr. Chen Shucai.

3. Mr. Teng Hao is the chairman and an executive Director of the Company.

4. Mr. Xu Chengwu is the Chief Executive Officer and an executive Director of the Company.

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

Undertaking by Master Professional Holdings Limited and Mr. Li Bin

On 26 March 2025, Master Professional Holdings Limited and Mr. Li Bin, being the substantial shareholders of the Company, have given an undertaking in favour of the Subscriber, whereby Master Professional Holdings Limited and Mr. Li Bin shall undertake not to withdraw, transfer, assign, dematerialise, re-materialise, grant any rights or create any further security over or otherwise deal with the Shares until three years from the date of the undertaking, any of the Warrants have been exercised by the Subscriber, or the prior written consent of the Subscriber, whichever is earlier.

6. INFORMATION OF THE PARTIES

The Company is a company incorporated in the Cayman Islands with limited liability.

The Group is principally engaged in the design, research and development, production, selling and marketing of cosplay products (including cosplay costumes and cosplay wigs), non-cosplay apparels which include mainly sexy lingerie, and fabric care, personal hygiene and home care products, and leasing of factory premises in the PRC.

The Subscriber, PM Partners I LP is a limited partnership registered in the British Virgin Islands and an affiliate of PAG Pegasus. PAG Pegasus is an institutional investor with an extensive and proven track record of successful investments across Asia and the global markets. PAG Pegasus is an affiliate of PAG, one of the leading alternative asset investment firms that focuses on APAC with three core strategies: Credit & Markets, Private Equity, and Real Assets. PAG Pegasus is founded and managed by Mr. Jack Li. PAG Pegasus operates as a hybrid investment platform, specialising in both public and private market opportunities across the capital structure in Asia and globally.

To the best of the knowledge, information and belief of the Directors, no Shareholder has a material interest in the Warrant Subscription Agreement and the transactions contemplated thereunder (including without limitation, the allotment and issue of the Warrant Shares upon exercise of the subscription rights attaching to the Warrants and the Specific Mandate), and is required to abstain from voting on the resolutions to approve the aforesaid matters at the EGM.

7. IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 15.02(1) of the Listing Rules, the Warrant Shares to be allotted and issued upon exercise of the Warrant must not, when aggregated with all other equity securities remain to be issued on the exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the issued share capital of the Company at the time the Warrant is issued. Options granted under share option schemes which comply with Chapter 17 of the Listing Rules are excluded for the purpose of such limit.

As at the Latest Practicable Date, the Company has no outstanding warrant and there are no equity securities of the Company with subscription rights outstanding and not yet exercised and which are required to be aggregated with the Warrant Shares in accordance with Rule 15.02(1) of the Listing Rules.

A total of up to 354,652,624 Warrants are proposed to be issued. Upon full exercise of the subscription rights attaching to the Warrants at the Exercise Price, a total of up to 354,652,624 Warrant Shares will be allotted and issued represents (i) approximately 19.62% of the total number of issued shares of the Company as at the Latest Practicable Date; and (ii) approximately 16.40% of the total number of issued shares of the Company as enlarged by the allotment and issue of the Warrant Shares upon full exercise of the Subscription Rights attaching to the Warrant assuming there being no other changes in the issued share capital of the Company.

As mentioned in Warrant Instrument, the Qualified Investment must comply with all applicable Laws and the Listing Rules and therefore will be subject to the requirements of Rule 15.02(1). The Company will maintain or instruct its Hong Kong branch share registrar to maintain a register for the Warrant holders and monitor the number of warrant shares such that it would exceed the threshold under Rule 15.02(1). The Company is also considering to do a share consolidation after the issuance of the Warrant so there will be room for adjustment and issuing new warrant shares which would not exceed the limit under Listing Rule 15.02(1).

Accordingly, the issue of the Warrants is in compliance with Rule 15.02(1) of the Listing Rules.

8. PROPOSED SHARE CONSOLIDATION

The Board is considering a proposed share consolidation in the view that the Shares had been traded at below HK$0.10 in the past three months (based on the closing price per Share as quoted on the Stock Exchange). An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the consolidated shares in the share capital of the Company immediately after the proposed share consolidation becoming effective. Details of a proposal on the proposed share consolidation will be announced as and when appropriate.

9. EGM

The EGM will be convened and held on Friday, 15 August 2025 at 10:00 a.m. for the purpose of considering and, if thought fit, approving the Warrant Subscription Agreement and the transactions contemplated thereunder (including without limitation, (a) the allotment and issue of the Warrant Shares upon exercise of the subscription rights attaching to the Warrants; and (b) the Specific Mandate).

According to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at the EGM will be taken by poll except where the chairman, in good faith, decides to allow a resolution

which relates purely to a procedural or administrative matter to be voted on by a show of hands and an announcement on the results of the poll will be made after the EGM pursuant to Rule 13.39(5) of the Listing Rules.

No Directors were required to abstain from voting on the Board resolution(s) regarding the Warrant Subscription Agreement and the transactions contemplated thereunder.

10. ACTIONS TO BE TAKEN

A form of proxy for use by the Shareholders at the EGM is enclosed in this circular. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Such form of proxy for use at the EGM is also published on the website of the Stock Exchange at www.hkexnews.hk. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the EGM or any adjourned meeting should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

11. RECOMMENDATION

The Board considers that the Warrant Subscription Agreement was entered into on normal commercial terms after arm's length negotiation and the terms of the Warrant Subscription Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, the Board recommends the Shareholders to vote in favour of the proposed ordinary resolution(s) to approve the Warrant Subscription Agreement and the transactions contemplated thereunder at the EGM.

12. WARNING STATEMENT

Shareholders and potential investors of the Company shall note that in the event the transaction(s) or a series of transactions and/or arrangements pertaining to the Qualified Investments (the "Potential Transactions"), the aggregate value of which may potentially amount to US$100 million or more, are materialised, the Potential Transactions may, base on the size of the Potential Transactions relative to the size of the Company, be considered by the Stock Exchange as a reverse takeover or transactions that attempt to achieve listing of acquisition targets. The Potential Transactions MAY OR MAY NOT PROCEED, and their structure, terms, and commercial feasibility remain subject to further review by the Company, and vetting by the regulators. If the Potential Transactions are considered reverse takeover or deemed listing by the Stock Exchange, the Company shall comply with the relevant rules under the Listing Rules and the Takeovers Code as appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

13. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular and the notice convening the EGM.

By order of the Board
China Partytime Culture Holdings Limited
Teng Hao
Chairman

Vincorn Consulting and Appraisal Limited
Units 1602–4, 16/F
FWD Financial Centre
No. 308 Des Voeux Road Central
Hong Kong

VINCORN
appraisal • brokerage • consulting

Valuation Report

Prepared for China Partytime Culture Holdings Limited (SEHK: 1532)

Valuation of Warrants issued by China Partytime Culture Holdings Limited

Strictly Confidential – For Addressee Only

Subject:
Valuation of Warrants issued by China Partytime Culture Holdings Limited

Addressee:
Room 225–27, 2/F,
Mega Cube, 8 Wang Kwong Road
Kowloon Bay, Kowloon,
Hong Kong

Valuation Date:
20 December 2024

Report Date:
25 July 2025

Ref. No.:
VJ-25-0037

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EXECUTIVE SUMMARY

Subject	:	Valuation of Warrants issued by China Partytime Culture Holdings Limited
Description	:	China Partytime Culture Holdings Limited (SEHK: 1532) (the "**Company**") plans to issue 354,652,624 warrants ("**Warrants**") to PM PARTNERS I LP
Valuation Purpose	:	Public documentation purpose
Basis of Valuation	:	The valuation report is carried out pursuant to the instructions by the Company for accounting reference purposes. The valuation has been prepared in accordance with Hong Kong Financial Reporting Standard 2 (HKFRS 2 – Share-based Payment) published by Hong Kong Institute of Certified Public Accountants. The Subject have been valued on Fair Value basis. The term 'Fair Value' as used in the context of this valuation is defined as 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date' in accordance with Hong Kong Financial Reporting Standard 13 (HKFRS 13) paragraph 9.
Valuation Date	:	20 December 2024
Valuation Method	:	Binomial Lattice Model
Currency	:	Hong Kong Dollars ("**HKD**")
Valuation Conclusion	:	HKD7,540,000

This summary is strictly confidential to the addressee. It must not be copied, distributed or considered in isolation from the full report.

1. PREAMBLES

1.1. Instruction

Vincorn Consulting and Appraisal Limited ("**Vincorn**") are pleased to submit our valuation report, which has been prepared for China Partytime Culture Holdings Limited (SEHK: 1532) for public documentation purpose.

The valuation has been carried out in accordance with the service agreement dated 20 January 2025 (the "**Service Agreement**") signed between the Instructing Party and Vincorn. The extent of our professional liability to you is outlined in the Service Agreement.

1.2. Subject

Valuation of Warrants issued by China Partytime Culture Holdings Limited

China Partytime Culture Holdings Limited (SEHK: 1532) (the "**Company**") plans to issue 354,652,624 warrants ("**Warrants**") to PM PARTNERS I LP. The detailed terms of the Warrants are as follows:

Issuer	China Partytime Culture Holdings Limited (SEHK: 1532)
Subscriber	PM PARTNERS I LP
Hypothetical grant date	20 December 2024
Vesting year	0 year
Exercisable period	From 20 December 2024 to 20 December 2029
Warrants life	5 years
Maturity date	20 December 2029
Exercise price	HKD0.090 per share
Spot price	HKD0.086 per share
Number of Warrants	354,652,624

Exercise condition ("**Exercise Condition**")	The warrant holder(s) must make or procure third party investor(s) to make qualified investment(s), being investment with an aggregate value of no less than US$100 million (or such other amount as mutually agreed between the issuer and the warrant holder), in cash and/or assets of equivalent value, by the third (3rd) anniversary of the issue date of the Warrant

1.3. Valuation Date

The Valuation Date is 20 December 2024.

1.4. Valuation Basis

The valuation report is carried out pursuant to the instructions by the Company for accounting reference purposes.

The valuation has been prepared in accordance with Hong Kong Financial Reporting Standard 2 (HKFRS 2 – Share-based Payment) published by Hong Kong Institute of Certified Public Accountants.

The Subject have been valued on Fair Value basis. The term "Fair Value" as used in the context of this valuation is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date" in accordance with Hong Kong Financial Reporting Standard 13 (HKFRS 13) paragraph 9.

1.5. Currency

Unless otherwise stated, all monetary sums stated in this report are in Hong Kong Dollars ("**HKD**").

1.6. General Reservations

The purposes of the valuation do not alter the approach of the valuation.

A valuation is a prediction of price, not a guarantee. By necessity, it requires valuers to make subjective judgements that, even when logical and appropriate, may differ from those made by a purchaser or another valuer. Historically it has been considered that valuers may properly conclude within a range of possible values.

Business values can change substantially, even over a short period of time, so our opinion of values could differ significantly if the date of valuation was to change. If you

wish to rely on our valuation for any other dates you should consult us first. We recommend that you keep the valuation under frequent review. You should not rely on this report unless any reference to the legal titles has been verified as correct by your legal advisers.

1.7. Caveats and Assumptions

This report is subject to and includes our Standard Caveats and Assumptions as set out in the appendices at the end of this report, as well as our agreed terms of our engagement.

1.8. Limiting Conditions

The valuation report is subject to the limiting conditions as attached in Appendix 1.

1.9. Confidentiality

The information contained herein is confidential to you, for your sole use and for the specific purpose stated. We will not accept responsibility to any third party in respect of the information contained herein.

1.10. Non-disclosure

Neither the whole nor any part of the valuation report nor any reference thereto may be included in any published documents, circulars or statements, nor published in any ways whatsoever without a prior written approval of Vincorn as to the form and context in which it may appear.

2. SCOPE OF WORK

Our valuation conclusion is based on the assumptions stated herein and on information provided by the management of the Company, and/or its representative (together referred to as the "**Management**").

In the course of our valuation, the following processes have been conducted to evaluate the information provided by the Management:

- Discussion with the Management and obtained relevant information in respect of the Subject;

- Examined the relevant basis and assumptions of the financial information in respect of the Subject provided by the Management;

- Conducted appropriate researches to obtain sufficient market data and statistical figures and prepared the valuation based on generally accepted valuation procedures and practices; and

- Arriving at our valuation opinion based on the assumptions stated in this report and on information provided by the Management.

No on-site inspection has been made as part of the agreed-upon procedures for this valuation task.

3. SOURCES OF INFORMATION

In conducting our valuation of the Subject, we have considered, reviewed and relied upon the following key information which is available to the public or provided by the Management:

- The draft warrant subscription agreement in relation to the issuance of the Warrants provided by Management; and

- S&P Capital IQ database and other reliable sources.

4. VALUATION ASSUMPTION AND RATIONALE

For the purpose of determining the fair value of the Warrants, we have considered all the prominent factors affecting the value and assumed, including but not limited to, the following:

- Under HKFRS 2 – Share-based Payment, the Exercise Condition is classified as a non-market performance vesting condition. Therefore, the Exercise Condition is not taken into account when estimating its fair value as of the Valuation Date according to HKFRS 2 – Share-based Payment.

- We have assumed that there will be no material change in the existing political, taxation, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Company;

- We have assumed that the conditions in which the business is operated, and which are material to revenue and costs of businesses will have no material change;

- We have assumed that the information has been prepared on a reasonable basis after due and careful consideration by the Management;

- We have assumed that competent management, key personnel and technical staff will be maintained to support the ongoing operation and development of the Company;

- We have assumed that all licenses and permits that is essential for the operation of the Company can be obtained and are renewable upon expiry; and

- We have assumed that there are no hidden or unexpected conditions associated with the businesses valued that might adversely affect the reported value. Further, we assume no responsibility for changes in market conditions after the Valuation Date.

5. VALUATION METHODOLOGY

The core valuation approach used for the valuation of the Warrants is the binomial lattice model ("**Binomial Lattice Model**").

Binomial Lattice Model provides a generalized numerical method for the valuation of warrants. The Binomial Lattice Model was first proposed by Cox, Ross and Rubinstein in 1979. It adopts discrete time, non-closed form model of varying price over time of the underlying instruments, compared with the Black Scholes Model which is continuous time, closed form model developed by Fischer Black and Myron Scholes in 1973.

Non-closed form model, such as Binomial Lattice Model, is able to adopt varying payoff conditions over time of the underlying instruments. Owing to the non-closed form feature of the Binomial Lattice Model, it is widely used in financial practice to value variety of conditions, such as varying share price, for which other financial models cannot easily be applied. In contrast, closed form models, such as Black Scholes Model, which capability is restricted and not able to adopt variety of payoff conditions such as American options that are exercisable at any time in each period as well as Bermudan options that are exercisable at specific period of time. The Warrants are exercisable between issue date and maturity date. We have therefore adopted Binomial Lattice Model in arriving the fair value of the Warrants.

(a) There are three basic steps for the Binomial Lattice Model.

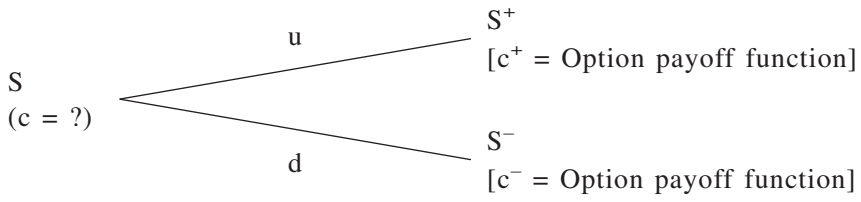
(b) Binomial tree (the "**Binomial Tree**") construction for the underlying assets is based on the up move factor (u), down move factor (d), and probability of such moves (p) to determine the up move price of the underlying assets (S+) and down move price of the underlying assets (S-) from the preceding node of the underlying assets (S) based on input parameters such as return volatilities, risk free rate, number of time steps (i.e. time intervals). The more number of time steps, the more expanding branches of the Binomial Tree would be.

(c) Warrants value is estimated at each final node in the Binomial Tree according to the final payoff function of the Warrants, which is formula with the price of the underlying assets at the final node. The final payoff of call option at the maturity date will be max [0, S - X] (with X being the exercise price of the Warrants).

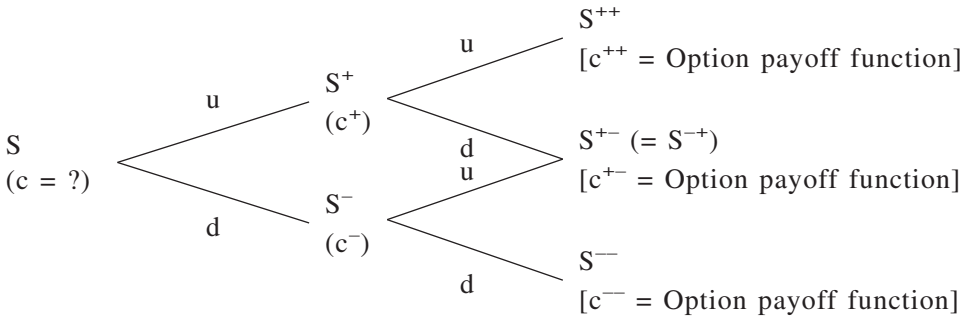
(d) Warrants value is estimated at each preceding node by backward induction from the final nodes in the Binomial Tree to compute present value of the Warrants (c) based on the probability of such moves (p) and discount rate, which is the risk free rate. The Warrants value at each node can be estimated as (c) = p (c^+) + (1 - p) (c-).

The following schematic diagrams illustrate the basic concepts of the Binomial Lattice Model computation for Warrants valuation.

Binomial Tree with one time-step



Binomial Tree with one time-steps



Valuation of the Warrants

In valuing the Warrants, we have adopted the Binomial Lattice Model with custom payoff structures instead of other closed form models owing to the American style of the Warrants.

Binomial Lattice Model

Binomial Lattice Model refers to the computation that the underlying price moves to only one of two possible outcomes, based on up-move factor (u), down-move factor (d), and probability of such moves (p), in discrete time model. Binomial tree for the underlying price movement is then constructed. Then, the maturity payoffs of the Warrants are discounted based on backward induction to determine the present value of the Warrants.

Binomial Tree for the underlying stock price of the target company

The Cox, Ross, & Rubinstein (CRR) method was adopted for building the Binomial Tree in the valuation for the stock price of the target company. The u and d equations are as follows.

Formula of the Cox, Ross, & Rubinstein method

$$u = e^{\wedge}(\sigma\sqrt{t})$$

$$d = e^{\wedge}(-\sigma\sqrt{t}) = 1/u$$

The three basic steps for the Binomial Lattice Model were used as follows:

(1) Binomial Tree construction for the underlying assets.

(2) Warrants value estimation at each final node in the Binomial Tree according to the final payoff function of the Warrants.

(3) Warrants value estimation at each preceding node by backward induction from the final nodes in the Binomial Tree to compute present value of the Warrants.

Valuation parameters adopted as of 20 December 2024

Warrants

Valuation date	20 December 2024
Exercisable period	From 20 December 2024 to 20 December 2029
Maturity date	20 December 2029
Warrants life	5 years
Number of Warrants	354,652,624
Number of outstanding ordinary shares	1,773,263,120
Risk-free rate[1]	3.394%
Exercise price	HKD0.090 per share
Spot price	HKD0.086 per share

Expected exercise multiple[2]	1.6x
Expected dividend yield[3]	0.0%
Expected volatility[4]	33.55%

1 Risk-free rate is determined with reference to the Hong Kong Government Bond yield of corresponding time to maturity as the Warrants as of the Valuation Date.

2 Exercise multiple is an assumption about "early exercise" behaviour or patterns based on stock-price appreciation which is described as the expected ratio of stock price to exercise price at the time of exercise. Early exercise refers to the exercise of the Warrants prior to the end of the contractual term. It is referenced to median exercise multiple of 1.6x based on "Employee Stock Option Valuation with an Early Exercise Boundary" prepared by Neil Brisley and Chris K. Anderson in 2008.

3 Expected dividend yield is determined with reference to the annualized historical dividend yield of the Company as of the Valuation Date.

4 Expected volatility of share price is determined with reference to the annualized historical daily volatility of the Company as of the Valuation Date.

6. VALUATION CONCLUSION

In our opinion, on the basis of the assumption and information made available to us, the fair value of the Warrants granted by China Partytime Culture Holdings Limited as at 20 December 2024 is reasonably estimated at:

	Fair Value per Warrant *(HKD)*	Number of Warrants	Fair Value of the Warrants *(HKD)*
	0.0213	354,652,624	7,538,930
Total (rounded)			7,540,000

Signed for and on behalf of Vincorn Consulting and Appraisal Limited.

Freddie Chan
BBA-FIN (Hons) CFA ACCA FRM MRICS
RICS Registered Valuer
Executive Director

Vincent Cheung
BSc (Hons) MBA FHKIS FRICS R.P.S. (GP)
MCIREA MHKSI MISCM MHIREA FHKIoD
RICS Registered Valuer
Registered Real Estate Appraiser & Agent
PRC
Managing Director

APPENDIX 1

LIMITING CONDITIONS

1. Preliminary

1.1 These general terms and conditions (the "**Terms and Conditions**") shall apply to all forms of professional services, provided by Vincorn Consulting and Appraisal Limited, ("**we**", "**us**" or the "**Firm**") to the client to whom the service agreement is sent (the "**client**" or "**you**"). They shall apply separately to each service provided to you.

1.2 The Terms and Conditions are to be read in conjunction with the service agreement (the "**Agreement**") sent by us to you. In the event of any ambiguity or conflict between the Agreement and these Terms and Conditions, the provisions in the Agreement shall prevail. These Terms and Conditions and the Agreement may only be varied in writing by agreement between the parties.

2. Performance of the Services

2.1 We undertake to use all reasonable skill and care in providing the services and advice described in the instruction given by you (the "**Services**"). We will inform you if it becomes apparent that the Services need to be varied or external third party advice is required. Any variation is to be confirmed in writing.

2.2 We may need to appoint third party providers to perform all or part of the Services and we shall agree this with you in advance.

2.3 Where matters beyond the control of ourselves cause delay to the performance of the services we will notify the client as soon as we become aware of the situation. The client agrees that we will not be held responsible for such delay.

3. Basis of Fees

3.1 The basis of our fees for our Services is set out in the Agreement.

3.2 When applicable, VAT shall be payable by you in addition to any fees or disbursements invoiced at the applicable rate.

3.3 You shall pay our fees on completion of our Services (whether or not additional work is still to be carried out by third parties) or, where the fees are in relation to an ongoing instruction or an instruction of a duration of more than three months, at least quarterly in arrears upon submission by us of quarterly fee accounts. Payment is due within 30 days of the invoice date.

3.4 Where valuations are undertaken for a lender for financing purposes and it is agreed that a borrower will pay our fee, you shall remain primarily liable to pay our fee should such borrower fail to meet its liabilities to us in full. Payment of our fees is not conditional upon the loan being drawn down or any of the conditions of the loan being met.

3.5 If you do not dispute with us an invoice or any part thereof within 30 days of the date of such invoice, you shall be deemed to have accepted the invoice in its entirety.

3.6 If we are required by you to undertake additional work in relation to an instruction, you shall pay additional fees based upon our usual rates. We will notify you of the amount of such additional fees.

3.7 Where there is a change to the stated purpose for which our valuation is being commissioned and in our sole opinion we deem this to result in an increase in our liability (for example a valuation for accounting purposes being used for financing purposes), we reserve the right to charge an additional fee.

3.8 In the event that you withdraw our instructions prior to completion of a valuation, you shall be liable to pay us for a fair and reasonable proportion of our fees and any agreed disbursements. If we have sent you a draft report, such fees shall be subject to a minimum of 80% of the fee originally agreed between us.

3.9 We will advise you in advance if it is necessary or convenient to instruct a third party to provide advice or to act as an expert or arbitrator and provide an estimate of the likely cost. If you approve, either verbally or in writing, that the third party be instructed, we will instruct the party as agent on your behalf and request that all the third party's invoices be addressed to you. If we are requested by you to advance payment of the third party invoices, you shall be obliged to reimburse the advance payment made and pay a handling charge.

3.10 Where we are instructed to provide Services to one of your subsidiaries or associate/related entities or should you subsequently request that another entity be substituted for you at a later stage and we are unable to seek or obtain payment of any outstanding monies for whatever reason, you shall remain primarily liable to pay those outstanding monies if the subsidiary, associate/related or other entity does not meet its liabilities in relation to the Services.

4. Interest

4.1 You shall pay interest on the amount of any invoice for fees or other disbursements that remain unpaid for 30 days after the date of the invoice. Interest shall be payable at the prime lending rate published by the Hong Kong and Shanghai Banking Corporation from the date of the invoice until payment is made whether after or before judgement.

5. Disbursements

5.1 You shall reimburse disbursements incurred in the provision of the Services quarterly in arrears from the date they were incurred. These include, for example, maps, plans, research, photography, copying of documents or plans, messenger delivery, costs of obtaining records of companies or assets, demographic or other similar information, any reproduction, copying or other royalties incurred, additional bound copy reports, costs of external information/references obtained, travel and subsistence expenses at their actual cost and car mileage at the reasonable scales.

6. Information Received from the Client

6.1 We will take all reasonable steps to ensure property information is accurate where we are responsible for its preparation. Where you provide us with any information on a property that is necessary or convenient to enable us to provide the Services properly, you are aware that we will rely on the accuracy, completeness and consistency of any information supplied by you or on your behalf and, unless specifically instructed otherwise in writing, we will not carry out any investigation to verify such information. We accept no liability for any inaccuracy or omission contained in information disclosed by you or a third party on your behalf, whether prepared directly by you or by that third party, and whether or not supplied directly to us by that third party, and you shall indemnify us should any such liability arise. Also, in any circumstances, you accept that full investigation of the legal title and any leases is the responsibility of your lawyers.

7. Conflicts of Interest

7.1 We have conflict management procedures designed to prevent us acting for one client in a matter where there is or could be a conflict with the interest of another client for whom we are acting. If you are aware or become aware of a possible conflict of this type, please raise it immediately with us. If a conflict of this nature arises, then we will decide, taking account of legal constraints, relevant regulatory body rules and your and the other client's interests and wishes, whether we can continue to act for both parties (e.g. through the use of separate teams with appropriate Chinese Walls), for one only or for neither. Where we do not believe that any potential or actual conflict of interest can be managed appropriately, we will inform you and consult with you as soon as reasonably practicable.

8. Management of the Asset

8.1 We shall not be responsible for the management of the asset nor have any other responsibility (such as maintenance or repair) in relation to the asset. We shall not be liable for any damage that may occur to the asset which we are providing services for. The asset shall be your sole responsibility.

9. Valuation Basis and Assumptions

Valuation Date

9.1 Unless we have said otherwise within the Agreement or our report, the valuation date will be the date of our report.

Basis of Valuation

9.2 Unless we have said otherwise within the Agreement or our report, the valuation will be prepared in accordance with the prevailing International Valuation Standards ("**IVS**") published by the International Valuation Standards Council.

9.3 Each property will be valued on a basis appropriate to the purpose of the valuation, in accordance with the IVS. The basis of valuation that we will adopt for each property is specified in the Agreement and our report.

9.4 When assessing Market Value for balance sheet purposes, we will not include directly attributable acquisition or disposal costs in our valuation. Where you have asked us to reflect costs, they will be stated separately.

Specialised Asset

9.5 In the case of Specialised Asset (where valuation methods such as market comparison or an income (profits) test cannot be reliably applied), we may use Cost Approach as a method of estimating Market Value. The valuation using this method of an asset in the private sector will include a statement that it is subject to the adequate profitability of the business, paying due regard to the value of the total assets employed. If the asset is in the public sector, the valuation will include a statement that it is subject to the prospect and viability of the continued occupation and use. Any writing down of a valuation derived solely from Cost Approach to reflect the profitability/viability of the entity in occupation is a matter for the occupier.

Specialised Trading Asset

9.6 Where appropriate, specialised trading assets will be valued on the basis of Market Value as a fully equipped operational entity, having regard to trading potential.

9.7 Where we are instructed to value an operational asset with regard to its trading potential, we will take account of any trading information that either the operator has supplied to us or that we have obtained from our own enquiries. We will rely on this being correct and complete and on there being no undisclosed matters that could affect our valuation. The valuation will be based on our opinion as to future trading potential and the level of turnover and net operating income likely to be achieved by a reasonably efficient operator.

9.8 Unless we have said otherwise within the Agreement or our report:

(i) the valuation will be made on the basis that each asset will be sold as a whole including all fixtures, fittings, stock and goodwill;

(ii) we will assume that the new owner will normally engage the existing staff and the new management will have the benefit of existing and future bookings or occupational agreements (which may be an important feature of the continuing operation), together with all existing statutory consents, operational permits and licences;

(iii) we will assume that all assets and equipment are fully owned by the operator and are not subject to separate finance leases or charges;

(iv) we will exclude any consumable items and stock in trade; and

(v) we will assume that all goodwill for an asset is tied to the asset itself and does not represent personal goodwill to the operator.

Real Property

9.9 Unless otherwise advised by you in writing, we will provide the Services in relation to any real properties on the assumption that:

(i) the property and any existing buildings are free from any defect whatsoever;

(ii) all buildings have been constructed having appropriate regard to existing ground conditions or that these would have no unusual effect on building costs, property values or viability of any development or existing buildings;

(iii) all the building services (such as lifts, electrical, gas, plumbing, heating, drainage and air conditioning installations and security systems) and property services (such as incoming mains, waste, drains, utility supplies, etc) are in good working order without any defect whatsoever;

(iv) roads and sewers serving the property have been adopted and that the property has all necessary rights of access over common estate roads, paths, corridors and stairways and to use common parking areas, loading areas and other facilities;

(v) there are no environmental matters (including but not limited to actual or potential land, air or water contamination, or by asbestos or any other harmful or hazardous substance) that would affect the property, any development or any existing buildings on the property in respect of which the Services are provided

or any adjoining property, and that we shall not be responsible for any investigations into the existence of the same and that you are responsible for making such investigations;

(vi) any building, the building services and the property services comply with all applicable current regulations (including fire and health and safety regulations);

(vii) the property and any existing building comply with all planning and building regulations, have the benefit of appropriate planning consents or other statutory authorisation for the current use and no adverse planning conditions or restrictions apply (which includes, but is not limited to, threat of or actual compulsory purchase order);

(viii) appropriate insurance cover is, and will continue to be, available on commercially acceptable terms for any building incorporating types of construction or materials which may pose an increased fire or health and safety risk, or where there may be an increased risk of terrorism, flooding or a rising water table;

(ix) items of plant and machinery that usually comprise part of the property on an assumed sale are included in the property but items of plant and machinery that are associated with the process being carried on in the property or tenants trade fixtures and fittings are excluded from the property;

(x) in reflecting the development potential of any property, that all structures will be completed using good quality materials and first class workmanship;

(xi) any occupational leases are on full repairing and insuring terms, with no unusually onerous provisions or covenants that would affect value;

(xii) in respect of any lease renewals or rent reviews, all notices have been served validly within any time limits;

(xiii) vacant possession can be assumed for a premises which is currently occupied by the landlord or a tenant; and

(xiv) any mineral rights are excluded from the property.

9.10 We will not carry out a structural survey of any property nor will we test services. Further, no inspection will be made of the woodwork and other parts of the structures which are covered, unexposed or inaccessible. In the absence of information to the contrary, the valuation will be on the basis that the property is free from defect. However, the value will reflect the apparent general state of repair of the property noted during inspection, but we do not give any warranty as to the condition of the

structure, foundations, soil and services. Our report should not be taken or interpreted as giving any opinion or warranty as to the structural condition or state of repair of the property, nor should such an opinion be implied.

9.11 If we give the age of a building in our report, this will be an estimate and for guidance only.

9.12 Where we are required to measure a property we will generally do so in accordance with the Code of Measuring Practice published by the Royal Institution of Chartered Surveyors. However, you should specifically note that the floor areas contained in any report we may publish are approximate and if measured by us will be within a reasonable range of tolerance either way. In cases where the configuration of the floor plate is unusually irregular or is obstructed, this tolerance may be significant.

9.13 We will not be able to measure areas that we are unable to access. In these cases we may estimate floor areas from plans or by extrapolation. Where we are required to measure land or site areas, the areas will be approximate and will be measured from plans supplied or registered. They will not be physically checked on site.

9.14 The areas we report will be appropriate for the valuation purposes, but should not be relied upon for any other purposes.

9.15 Unless specifically instructed in writing to make formal searches with local planning authorities, we shall rely in the provision of our Services for a property on the information provided informally by the local planning authority or its officers. We recommend that your lawyers be instructed to confirm the planning position relating to the property and review our comments on planning in the light of their findings.

9.16 We may consider the possibility of alternative uses of a property being permitted. Unless otherwise notified by you in writing, we shall assume that the property and any existing buildings comply with all planning and building regulations existing uses have the benefit of appropriate planning consent or other statutory authorisation, and that no adverse planning conditions or restrictions apply.

9.17 We will not inspect title deeds of a property and we will therefore rely on the information supplied as being correct and complete. In the absence of information to the contrary, we will assume the absence of unusually onerous restrictions, covenants or other encumbrances and that the property has a good and marketable title. Where supplied with legal documentation, we will consider it but we will not take responsibility for the legal interpretation of it.

9.18 You should confirm to us in writing if you require us to read leases of a property and if so, provide all the relevant documentation within a reasonable time for consideration bearing in mind the date for receipt of our report. You should not rely upon our interpretation of the leases without first obtaining the advice of your lawyers.

9.19 We will take into account any information of a property that you provide concerning any tenants' improvements. Otherwise, if the extent of tenants' alterations or improvements cannot be confirmed, we will assume that the property was let with all alterations and improvements evident during our inspection (or, in the case of valuation without inspection, as described within the information that you provide).

9.20 Our valuation for a property will take into account potential purchasers' likely opinion of the financial strength of tenants. However, we will not undertake any detailed investigations on the covenant strength of the tenants. Unless informed to the contrary by you, we will assume that there are no significant arrears and that the tenants are able to meet their obligations under their leases or agreements.

9.21 Any plans we provide to you indicating the site of a property are for identification only. We will rely on our inspection and information that you provide in outlining the extent of each property, but you should not rely upon our plans to define boundaries.

9.22 For a recently completed development property, we will not take account of any retentions or outstanding development costs. For a property in the course of development, we will reflect your advice on the stage of construction, the costs already incurred and those still to be spent at the valuation date, and will have regard to any contractual liabilities.

9.23 We will not make any allowance in any valuation advice provided for the expenses of realisation or any taxation liability arising from the sale or development of the property.

Comparable

9.24 Where comparable evidence information is included in our report, this information is often based upon our oral enquiries and its accuracy cannot always be assured, or may be subject to undertakings as to confidentiality. However, such information would only be referred to where we had reason to believe its general accuracy or where it was in accordance with expectation.

Portfolio

9.25 Unless we have said otherwise in the Agreement or our report, each asset will be valued individually; in the case of a portfolio, we will assume that the assets would be marketed in an orderly way and not placed on the market at the same time.

Currency

9.26 We will value in the local currency. If we are to report to you in another currency, unless we have agreed otherwise we will adopt a conversion rate equivalent to the closing rate ("**spot rate**") on the valuation date.

9.27 Our valuation does not make allowance either for the cost of transferring sale proceeds to another state, or for any restrictions on doing so.

Reinstatement Cost

9.28 In instances where we are instructed to provide an indication of current reinstatement cost for fire insurance purposes, this will be given solely as a guide without warranty. Formal estimates for insurance purposes can only be given by a quantity surveyor or other person with sufficient current experience of costs.

10. Regulated Purpose Valuation

10.1 In circumstances where a valuation, although provided for a client, may also be of use to third parties, for instance the shareholders in a company (known as a "**Regulated Purpose Valuation**"), we will state our policy on the rotation of the valuer who prepares the valuation and the quality control procedures that are in place.

10.2 Irrespective of the purpose of the valuation, we will select the most appropriate valuer for the valuation having regard to his/her expertise and the possible perception that independence and objectivity could be compromised where a valuer has held the responsibility for a particular client for a number of years. This may result in us rotating the valuer responsible for repeat valuations for the same client although we will not do so without prior discussion with the client.

11. Termination by Notice

11.1 Unless a fixed period has been agreed, either party may terminate the instruction by giving 14 days' notice in writing to the other party.

11.2 In the event of termination by notice, you shall be obliged to pay forthwith all the fees accrued in relation to the Services and work performed up to the date of termination (and any agreed abort fee) (the "**Termination Fees**") plus any expenses or disbursements incurred by us or to which we are committed at the date of termination.

12. Professional Liability

12.1 Subject to the provisions in these Terms and Conditions and the Agreement, our total aggregate liability (including that of our directors and employees) to you in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution

or otherwise, arising in connection with the performance or contemplated performance of the Services shall be limited to an aggregate sum not exceeding three times the fee paid for each instruction accepted. Neither party hereto shall be liable to the other for any pure economic loss, loss of profit, loss of business, depletion of goodwill, in each case whether direct, indirect or consequential, or any claims for consequential compensation whatsoever (however caused) which arise out of or in connection with the Services.

12.2 For the avoidance of doubt, our directors and employees shall have no liability in respect of their private assets.

12.3 Nothing in these Terms and Conditions excludes or limits our liability for (i) death or personal injury caused by our negligence, (ii) any matter which it would be illegal for us to exclude or attempt to exclude our liability or (iii) fraud or fraudulent misrepresentation.

12.4 Where a third party has contributed to the losses, damages, costs, claims or expenses, we shall not be liable to make any contribution in respect of the liability of such third party.

12.5 Save in respect of third parties directly instructed by us and/or on your behalf, we shall not be liable for the services or products provided by other third parties, nor shall we be required to inspect or supervise such third parties, irrespective of the third party services or products being incidental to or necessary for the provision of our Services to you.

12.6 We shall be released from our obligations to the extent that performance thereof is delayed, hindered or prevented by any circumstances beyond our reasonable control (examples being a strike, act of God or act of terrorism). On becoming aware of any circumstance which gives rise, or which is likely to give rise, to any failure or delay in the performance of our obligations, we will notify you by the most expeditious method then available.

12.7 To cover any liability that might be incurred by us, we confirm that we will maintain professional indemnity insurance through a third party insurance company.

12.8 Our pricing structure has been established by reference to these limitations on our liability and our level of professional indemnity insurance in respect of the Services we provide. If you feel that it is necessary to discuss with us a variation in these levels, then please raise the issue to us and we may revise the pricing structure to reflect the varied level of our liability or professional indemnity cover.

12.9 Responsibility for our valuation extends only to the party(ies) to whom it is addressed. However in the event of us being asked by you to readdress our report to another party or other parties or permit reliance upon it by another party or other parties, we will give consideration to doing so, to named parties, subject to an additional fee to be proposed by us.

12.10 Where we consent to reliance on our report by another party or other parties, we do so on the basis that these terms and conditions will apply to the new addressee(s) as if it/they had been a party to the original letter of instruction between us. Where we consent to such reliance, you agree to furnish the addressee with a copy of any reliance letter issued by us and/or a copy of these terms and conditions.

12.11 Where you provide a copy of and/or permit another party or parties, other than your affiliates, to rely upon our report without obtaining our express written consent (in accordance with clause 12.5 above), you agree to indemnify us (subject to Section 12.1 hereof) for any and all liability which arises from the use of or reliance upon our report by such unauthorised party.

13. Quality of Service

13.1 All our reports are signed by a qualified professional of the Firm whose responsibility it is to ensure that all relevant quality control procedures have been complied with.

13.2 While we seek to provide high quality Services, if a client has cause for complaint we have the Standard Complaint Handling Procedure to cope with that.

14. Data Protection

14.1 We are a data controller of all personal data collected during the provision of the Services. We shall use such personal data and information we obtain from other sources for providing the Services, for administration and customer services, for marketing and to analyse your preferences. We may keep such personal data for a reasonable period for these purposes. We may need to share personal data with our service providers and agents for these purposes. We may disclose personal data in order to comply with a legal or regulatory obligation and you may request, in writing and upon payment of a fee, a copy of the details held about you by us.

14.2 To help us to make credit decisions about you, to prevent fraud, to check identity and to prevent money laundering, we may search the files of credit reference agencies and we may also disclose details of how you conduct your account to such agencies.

14.3 We may share personal data within our international partnerships, group companies and affiliated organisations and with our business partners for marketing purposes, which may be to countries or jurisdictions which do not provide the same level of data protection as the country in which you are based, or we may send you and your

employees information about other organisations' goods and services. We or any business partners may contact you and your employees, directly or via our agents, by mail, telephone, fax, email, SMS or other electronic messaging service with offers of goods and services or information that may be of interest. By providing us with your or your employees' personal data (whether that data is deemed sensitive or not) including fax numbers, telephone numbers or email addresses, you and your employees consent to being contacted by these methods for these purposes.

15. Money Laundering Regulations

15.1 You are aware that legislation and related guidance as updated from time to time, has imposed on us obligations for mandatory reporting, record keeping and identification procedures. We may be required to verify certain particulars of our clients and may need to ask you to assist us in complying with such requirements. Where such information is requested, you will provide such information promptly to enable us to proceed to provide our Services. We shall not be liable to you or any other parties for any delay in the performance or any failure to perform the Services which may be caused by our duty to comply with such requirements.

16. Freedom of Information

16.1 Where you are a public authority, you shall notify us within five business days of receiving a request to disclose information which relates to the business arrangements between us and you and/or any information we have provided to you at any time. In recognition of the fact that we may be providing you with genuinely confidential or commercially sensitive information, you agree to consult us and seek our views on all such requests prior to making a decision on whether any information should be publicly disclosed.

17. Electronic Communications

17.1 We may communicate with each other by electronic mail, sometimes attaching electronic data. By consenting to this method of communication, we and you accept the inherent risks (including the security risks of interception of, or unauthorised access to, such communications, the risks of corruption of such communications and the risks of viruses or other harmful devices). In the event of a dispute, neither of us will challenge the legal evidential standing of an electronic document and our system shall be deemed to be the definitive record of electronic communications and documentation.

18. Confidentiality and Intellectual Property

18.1 We owe our clients a duty of confidentiality. You agree, however, that we may, when required by our insurers or other advisers, provide details to them of any engagement on which we have acted for you, and that we may also disclose confidential information relating to your affairs if required to do so for legal, regulatory or insurance purposes only.

18.2 Both parties agree never to disclose sensitive details of transactions or our advice without the other's consent. Unless we are expressly bound by a duty of confidentiality which otherwise overrides this, both parties shall be entitled to mention to third parties (e.g. in the course of presentations, speeches or pitches) and/or publish (e.g. in brochures, marketing or other written material) that we provide our services to you.

18.3 We shall provide the Services to you only for your sole use and for the stated purpose. We shall not be liable to any third party in respect of our Services. You shall not mention nor refer to our advice, in whole or in part, to any third party orally or in annual accounts or other document, circular or statement without our prior written approval. The giving of an approval shall be at our sole discretion.

18.4 We will not approve any mention of our Services unless it contains sufficient reference to all the special assumptions and/or limitations (if any) to which our Services are subject. For the avoidance of doubt our approval is required whether or not we are referred to by name and whether or not our advice is combined with others.

18.5 We may make the approval of any mention of our Services, or re-address to third parties our Services, subject to the payment of an additional fee to cover additional work and professional liability.

18.6 All intellectual property rights (including copyrights) in the documents, materials, records, data and information in any form developed or provided to you by us or otherwise generated in the provision of our Services shall belong to us solely.

19. Third Parties Rights and Assignment

19.1 No term of the Agreement or these Terms and Conditions is intended to confer a benefit on or to be enforceable by any person who is not a party to the same.

19.2 Neither party shall be entitled to assign this contract or any rights and obligations arising from it without the prior written consent of the other, such consent not to be unreasonably withheld.

20. General

20.1 If any provision of the Terms and Conditions is found by any court, tribunal or administrative body of competent jurisdiction to be wholly or partly illegal, invalid, void, voidable, unenforceable or unreasonable, it shall to the extent of such illegality, invalidity, voidness, voidability, unenforceability or unreasonableness be deemed severable and the remaining provisions of the Terms and Conditions and the remainder of such provision shall continue in full force and effect.

20.2 Failure or delay by us in enforcing or partially enforcing any provision of these Terms and Conditions shall not be construed as a waiver of any of our rights under these Terms and Conditions.

20.3 The Agreement and these Terms and Conditions shall be governed by and be construed in accordance with the law of the place at where the Agreement is effective. Any dispute arising out or in connection with the Services shall be submitted to the exclusive jurisdiction of the relevant courts of that place.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

(A) Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company or its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and Chief Executive Officer in the shares or underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Name of Director	Nature of interest	Number of ordinary Shares	Approximate percentage of the issued share capital of the Company
Mr. Teng Hao	Beneficial owner	14,000,000	0.77%
Mr. Xu Chengwu	Beneficial owner	12,000,000	0.66%

(B) Substantial shareholders' interests and short positions in shares, underlying shares and debentures of the Company or its associated corporations

As at the Latest Practicable Date, the substantial shareholders of the Company (other than Directors and chief executive of the Company whose interests or short positions have been disclosed in "Disclosure of Interests" above) who had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO and to the best knowledge of the Company are as follows:

Interests in long positions in the Shares of the Company

Name of Shareholder	*Notes*	Nature of interest	Number of ordinary Shares	Approximate percentage of the issued share capital of the Company
Master Professional Holdings Limited ("**Master Professional**")	(a)	Beneficial owner	421,859,000	23.34%
Mr. Chen Shucai	(a)	Interest of controlled corporation	421,859,000	23.34%
Mr. Li Bin		Beneficial owner	168,561,000	9.33%

Note:

(a) Master Professional is 100% beneficially owned by Mr. Chen Shucai. Accordingly, Mr. Chen Shucai is deemed to be interested on the Shares held by Master Professional.

Save as disclosed above, as at the Latest Practicable Date, the Company has not been notified of any other persons (other than Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company that were recorded in the register required to be kept under Section 336 of the SFO.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, so far is known to the Directors, none of the Directors or their close associate(s) was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

(A) Material Litigation

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

(B) Material Contracts

As at the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) were entered into by the Group within two years immediately preceding the date of this circular which are or may be material:

(1) the conditional placing agreement entered into between the Company and First Securities (HK) Limited dated 17 April 2024 in relation to the placing of up to 295,544,224 new Shares allotted and issued pursuant to the terms and conditions of the agreement.

(2) the lease agreement dated 30 September 2024 entered into between Partytime Costume & Lingerie (Yiwu) Factory* (義烏市派對服飾有限公司), a company established in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company, and Yiwu Chian Town Collective Asset Management Co., Ltd.* (義烏市赤岸鎮集體資產經營有限公司) in relation to Factory and warehouse at the Intersection of Huachuan North Road and Feifeng Road, Yiwu City, Zhejiang Province, PRC* (中國浙江省義烏市華川北路與飛鳳路口交叉口).

(3) the conditional equity transfer agreement dated 19 November 2024 and entered into amongst 派對文化集團有限公司 (Partytime Group Co., Ltd*), being a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company (as the vendor), 浙江百慧服飾有限公司 (Zhejiang Bestway Costume & Accessory Co., Ltd) (as the purchaser) and 浙江中派企業管理有限公司 (Zhejiang Zhongpai Enterprise Management Co., Ltd*), being a company established in the PRC with limited liability and a direct wholly-owned subsidiary of the Vendor (as the target company) in respect of the proposed disposal of the entire equity interest in the target company.

(4) the conditional lease dated 19 November 2024 and entered into between 派對文化集團有限公司 (Partytime Group Co., Ltd*) and 浙江中派企業管理有限公司 (Zhejiang Zhongpai Enterprise Management Co., Ltd*) in respect of the proposed lease of the properties (namely (i) 4/F, 5/F and 6/F of Industrial Park Block 1, (ii) 1/F to 3/F of Industrial Park Block 2, (iii) 1/F, 2/F to 13/F of Industrial Park Block 4, and (iv) 1/F, 2/F to 8/F of Industrial Park Block 5, No. 251 and 253, Huachuan North Road, Yiwu City, Zhejiang Province, the PRC with a gross floor area of approximately 19,523 square metres) by 派對文化集團有限公司 (Partytime Group Co., Ltd*) from 浙江中派企業管理有限公司 (Zhejiang Zhongpai Enterprise Management Co., Ltd*) for a term of three (3) years commencing.

(5) the Warrant Subscription Agreement.

As at the Latest Practicable Date, save as disclosed, no other material contract (not being a contract entered into in the ordinary course of business) has been entered into by any member of the Group within the two years immediately preceding the issue of this circular.

4. COMPETING INTERESTS

As at the Latest Practicable Date, so far is known to the Directors, none of the Directors or their close associate(s) was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

5. DIRECTORS' SERVICE CONTRACTS

None of the Directors has any existing or proposed service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

6. DIRECTORS' INTERESTS IN ASSETS AND/OR CONTRACTS AND OTHER INTERESTS

None of the Directors has any direct or indirect interest in any assets which have been, since 31 December 2024, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by, or leased to, any member of the Group.

None of the Directors was materially interested in any contract or arrangement subsisting at the date of this circular and which was significant in relation to the business of the Group.

None of the Directors or chief executives of the Company and their respective associates has any competing interests which would be required to be disclosed (as if each of them was a controlling Shareholder of the Company under Rule 8.10 of the Listing Rules).

7. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (http://www.partytime.com.cn/) from the date of this circular up to the date of the EGM:

(a) the memorandum and articles of association of the Company;

(b) the "Letter from the Board", the text of which is set out on pages 5 to 46 of this circular; and

(c) the material contracts referred to in the paragraph headed "3. Material Contracts" in this appendix.

* *For identification purpose only*

China Partytime Culture Holdings Limited
中國派對文化控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1532)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of China Partytime Culture Holdings Limited (the "**Company**") will be held at No. 251 Huachuan North Road, Chian Town, Yiwu City, Zhejiang Province, the PRC on Friday, 15 August 2025 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

1. PROPOSED ISSUE OF UNLISTED WARRANT UNDER WARRANT SPECIFIC MANDATE

"**THAT**:

(a) the Warrant Subscription Agreement dated 26 March 2025 (as amended and supplemental by a supplemental agreement dated 27 June 2025) (a copy of which is tabled at the EGM and marked "A" and signed by the chairman of the EGM for identification purpose) entered into between the Company (as the issuer) and PM Partners I LP (as the subscriber) and the transactions contemplated thereunder, including but not limited to, (i) the issuance of the Warrants to PM Partners I LP; and (ii) the issuance and allotment of the Warrant Shares to PM Partners I LP under the Warrant Specific Mandate, be and are hereby approved, confirmed and ratified;

(b) any one Director be and is hereby authorised to, on behalf of the Company, do all such acts and things, to sign and execute such documents or agreements or deeds and take all such actions as he/she/they may in his/her/their absolute discretion consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Warrant Subscription Agreement and the transactions contemplated thereunder and agree to such variation, amendment or waiver as are, in the opinion of such Director, in the interest of the Company and the Shareholders as a whole; and

(c) subject to and conditional upon the Listing Committee of Stock Exchange having granted the listing of, and permission to deal in the Warrant Shares, the Directors be and are hereby granted the Warrant Specific Mandate which shall entitle the Directors to exercise all the powers of the Company to issue, allot and credit as fully paid, the Warrant Shares to PM Partners I LP, on and subject to the terms

and conditions of the Warrant Subscription Agreement, provided that the Warrant Specific Mandate shall be in addition to, and shall not prejudice nor revoke any general or specific mandates(s) which has/have been granted or may from time to time be granted to the Directors prior to the passing of this resolution."

By order of the Board
China Partytime Culture Holdings Limited
Teng Hao
Chairman

Hong Kong, 25 July 2025

Notes:

1. The register of members of the Company will be closed from 12 August 2025 to 15 August 2025 (both days inclusive) during which period no transfer of share(s) will be effected. Members whose names appear on the register of members of the Company at the close of business on 15 August 2025 will be entitled to attend and vote at the EGM. In order to ensure that the Shareholders are entitled to attend and vote at the EGM, all transfer documents, together with the relevant share certificates, should be lodged no later than 4:30 p.m. on 11 August 2025 at the branch share registrar and transfer registrar office of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

2. Any shareholder entitled to attend and vote at the EGM is entitled to appoint another person as his/her proxy to attend and vote on his/her behalf. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company.

3. Where there are joint registered holders of any shares, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present being the most, or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand in the register of members in respect of the relevant joint holding.

4. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time fixed for holding the EGM or adjournment thereof.

As at the date of this notice, the Board of Directors of the Company consists of (i) three Executive Directors, namely Mr. Teng Hao, Mr. Xu Chengwu and Mr. Chen Jinbo; and (ii) three Independent Non-executive Directors, namely Mr. Zheng Jin Min, Mr. Chen Wen Hua and Ms. Peng Xu.