

## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in the Company, you should at once hand the Prospectus Documents to the purchaser(s) or the transferee(s), or to the bank manager, licensed securities dealer, registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser(s) or transferee(s). The Prospectus Documents should not, however, be distributed, forwarded to or transmitted to, into or from any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed “15. Documents delivered to the Registrar of Companies in Hong Kong” in Appendix III to this Prospectus have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong and the Securities and Futures Commission take no responsibility for the contents of any of the Prospectus Documents.

The attention of Shareholders with registered addresses in, and investors who are located or residing in, any of the jurisdictions outside Hong Kong or holding Shares on behalf of beneficial owners of Shares with such addresses is drawn to the paragraph headed “Non-Qualifying Shareholders” in the “Letter from the Board” in this Prospectus.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC and you should consult your stockbroker, a licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

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



**RISECOMM**

**瑞斯康**

**RISECOMM GROUP HOLDINGS LIMITED**

**瑞斯康集團控股有限公司**

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

**(Stock Code: 1679)**

### **RIGHTS ISSUE ON THE BASIS OF FIVE (5) RIGHTS SHARES FOR EVERY ONE (1) CONSOLIDATED SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS**

**Financial Adviser to the Company**



**DILIGENT  
CAPITAL**

**Diligent Capital Limited**

**Placing Agent to the Company**



**東方滙財證券有限公司  
ORIENT SECURITIES LIMITED**

Unless the context requires otherwise, capitalised terms used in this cover shall have the same meanings as those defined in this Prospectus.

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Friday, 12 September 2025. The procedures for acceptance, application and transfer of Rights Shares are set out in the section headed “Letter from the Board — Procedures for acceptance, splitting of provisional allotment and payment and/or transfer of the Rights Shares” in this Prospectus.

The Rights Issue is on a non-underwritten basis. Pursuant to the Company’s constitutional documents, the applicable laws in Hong Kong and the Cayman Islands and the Listing Rules, there is no requirement for a minimum subscription level in respect of the Rights Issue. Nevertheless, the Rights Issue is subject to fulfilment of the conditions of the Rights Issue as set out in the section headed “Letter from the Board — Conditions of the Rights Issue” in this Prospectus at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be Wednesday, 15 October 2025). If the conditions of the Rights Issue are not fulfilled at or prior to the latest time for the Rights Issue to become unconditional, the Rights Issue will not proceed.

The Shares have been dealt in on an ex-rights basis from Wednesday, 20 August 2025. Dealings in the Rights Shares in nil-paid form will take place from Tuesday, 2 September 2025 to Tuesday, 9 September 2025 (both days inclusive).

Any Shareholders or other persons contemplating selling or purchasing the Shares and/or the nil-paid Rights Shares during such periods are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares and if they are in doubt about their position, they are recommended to consult their own professional advisers.

**29 August 2025**

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## EXPECTED TIMETABLE

*Set out below is the expected timetable for the Rights Issue and the Placing which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled:*

Event(s)	Date and Time
First day of dealings in nil-paid Rights Shares .....	Tuesday, 2 September 2025
Latest time for splitting of PAL .....	4:30 p.m. on Thursday, 4 September 2025
Last day of dealings in nil-paid Rights Shares .....	Tuesday, 9 September 2025
Latest time for acceptance and payment for the Rights Shares .....	4:00 p.m. on Friday, 12 September 2025
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the payment of Net Gain .....	4:00 p.m. on Friday, 12 September 2025
Announcement of the number of Unsubscribed Rights Shares subject to the Unsubscribed Arrangements .....	Friday, 19 September 2025
Commencement of the placing of Unsubscribed Rights Shares by the Placing Agent .....	Monday, 22 September 2025
Latest time for Placing of Unsubscribed Rights Shares by the Placing Agent .....	Friday, 10 October 2025
Placing of the Placing Shares to become unconditional .....	Tuesday, 14 October 2025
Announcement of the allotment results of the Rights Issue to be published on the websites of the Stock Exchange and the Company .....	Tuesday, 21 October 2025
Despatch of share certificates for fully-paid Rights Shares and completion of Placing to take place .....	Wednesday, 22 October 2025
Despatch of refund cheques, if any, if the Rights Issue is terminated .....	Wednesday, 22 October 2025
Commencement of dealings in fully-paid Rights Shares .....	9:00 a.m. on Thursday, 23 October 2025
Payment of Net Gain to relevant No Action Shareholders (if any) or Non-Qualifying Shareholders (if any) .....	Monday, 3 November 2025

<b>EXPECTED TIMETABLE</b>
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All times and dates in this Prospectus refer to local times and dates in Hong Kong. Dates or deadlines specified in the expected timetable above or other parts of this Prospectus are indicative only and may be extended or varied. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate in accordance with the Listing Rules.

**EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE**

The Latest Time for Acceptance will not take place if a tropical cyclone warning signal no. 8 or above, or “extreme conditions” caused by super typhoons as announced by the Government of the Hong Kong Special Administrative Region or a “black” rainstorm warning:

- (i) is/are in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the day on which the Latest Time for Acceptance is initially scheduled to fall. Instead, the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) is/are in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the day on which the Latest Time for Acceptance is initially scheduled to fall. Instead, the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned herein may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable of the Rights Issue as soon as practicable.

## DEFINITIONS

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

“acting in concert”	has the same meaning ascribed thereto under the Takeovers Code
“Announcement”	the announcement of the Company dated 17 June 2025 in relation to, among other things, the Share Consolidation, Increase in Authorised Share Capital and the Rights Issue
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular of the Company dated 23 July 2025 in relation to, among other things, the Rights Issue
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	Risecomm Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 1679)
“Completion”	completion of the Share Consolidation, the Increase in Authorised Share Capital, the Rights Issue, and the Placing
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consolidated Share(s)”	ordinary share(s) of HK\$0.005 each in the share capital of the Company upon the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company

## DEFINITIONS

“EGM”	the extraordinary general meeting of the Company held on 15 August 2025 at which the Share Consolidation, the Increase in Authorised Share Capital, the Rights Issue and the transactions contemplated thereunder have been approved
“General Rules of HKSCC”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as amended from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Increase in Authorised Share Capital”	the increase in the authorised share capital of the Company from HK\$1,000,000 divided into 200,000,000 Consolidated Shares to HK\$5,000,000 divided into 1,000,000,000 Consolidated Shares by the creation of an additional 800,000,000 new Consolidated Shares
“Independent Shareholder(s)”	any Shareholder(s) who are not required to abstain from voting at the EGM under the Listing Rules
“Independent Third Party(ies)”	third party(ies) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, are independent of and not acting in concert or connected with the Company and any of its connected persons or any of their respective associates
“Last Trading Day”	Tuesday, 17 June 2025, being the last trading day for the Shares on the Stock Exchange immediately prior to the date of the Announcement

## DEFINITIONS

“Latest Practicable Date”	25 August 2025, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information contained herein
“Latest Time for Acceptance”	4:00 p.m. on Friday, 12 September 2025 (or such other time or date as may be determined by the Company), being the latest time for acceptance of the offer of and payment for, the Rights Shares, as described in the Prospectus Documents
“Listing Committee”	has the meaning as defined in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Net Gain”	the aggregate of any premiums (being the aggregate amount paid by the placees after deducting the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares placed by the Placing Agent under the Placing Agreement) pursuant to the Unsubscribed Arrangements
“No Action Shareholders”	those Qualifying Shareholders who do not subscribe for the Right Shares (whether partially or fully) in their assured entitlements, or Non-Qualifying Shareholders (as the case may be)
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place
“Overseas Letter”	a letter from the Company to the Non-Qualifying Shareholders explaining the circumstances in which the Non-Qualifying Shareholders are not permitted to participate in the Rights Issue
“Overseas Shareholders”	the Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong

## DEFINITIONS

“PAL(s)”	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares on a best effort basis by the Placing Agent to the independent placee(s) during the Placing Period on the terms and conditions set out in the Placing Agreement
“Placing Agent”	Orient Securities Limited, a licensed corporation carrying out type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO, being the placing agent appointed by the Company pursuant to the Placing Agreement
“Placing Agreement”	the placing agreement dated 17 June 2025 (after trading hours of the Stock Exchange) entered into between the Company and the Placing Agent in respect of the Unsubscribed Arrangements, pursuant to which the Placing Agent has agreed to procure placees on a best effort basis to subscribe for the Unsubscribed Rights Shares
“Placing Long Stop Date”	14 October 2025, or such other date as may be agreed between the Company and the Placing Agent in writing as the latest date for the satisfaction of the conditions precedent under the Placing Agreement
“Placing Period”	the period from 22 September 2025 up to 10 October 2025, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Unsubscribed Arrangements
“Placing Price”	the placing price of the Unsubscribed Rights Shares shall be at least equal to the Subscription Price and the final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares during the placement process
“Posting Date”	29 August 2025 or such other date as the Company may announce, being the date of despatch of the Prospectus Documents



## DEFINITIONS

“PRC”	the People’s Republic of China, which for the purpose of this Prospectus, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be despatched to the Shareholders by the Company containing details of the Rights Issue
“Prospectus Documents”	collectively, the Prospectus and the PAL
“Public Float Requirement(s)”	the public float requirement under Rules 8.08(1)(a) and 13.32(1) of the Listing Rules
“Qualifying Shareholders”	Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	28 August 2025, or such other date as the Company may announce, being the date by reference to which entitlements of the Shareholders to participate in the Rights Issue will be determined
“Registrar”	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
“Rights Issue”	the proposed issue of the Rights Shares on the basis of five (5) Rights Shares for every one (1) Consolidated Share held by the Qualifying Shareholders on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Prospectus Documents
“Rights Share(s)”	Shares to be issued and allotted under the proposed Rights Issue based on five (5) Rights Shares for every one (1) Consolidated Share in issue on the Record Date, being 255,728,860 Consolidated Shares based on the Company’s issued share capital as at the Latest Practicable Date
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)

## DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Share Consolidation”	the proposed consolidation of every five (5) issued and unissued Shares be consolidated into one (1) Consolidated Share
“Shareholder(s)”	holder(s) of the issued Share(s)
“Share Option(s)”	the share option(s) granted by the Company pursuant to the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 16 May 2017
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.5 per Rights Share
“substantial shareholder(s)”	has the meaning as ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Unsubscribed Arrangements”	arrangements to place the Unsubscribed Rights Shares by the Placing Agent on a best effort basis to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties pursuant to Rule 7.21(1)(b) of the Listing Rules
“Unsubscribed Rights Shares”	those Rights Shares that are not subscribed by the Qualifying Shareholders and Rights Shares which would otherwise have been allotted to the Non-Qualifying Shareholders (as the case may be)
“%”	per cent.

LETTER FROM THE BOARD



**RISECOMM**

**瑞斯康**

**RISECOMM GROUP HOLDINGS LIMITED**

**瑞斯康集團控股有限公司**

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

**(Stock Code: 1679)**

*Executive Directors:*

Ms. Zhao Luyi  
Mr. Tsang Wah Tak, Brian  
Mr. Jiang Feng

*Non-executive Directors:*

Mr. Yu Lu  
Mr. Ding Zhigang  
Ms. Guo Lei

*Independent Non-executive Directors:*

Mr. Victor Yang  
Ms. Lo Wan Man  
Mr. Zou Heqiang

*Registered office:*

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

*Headquarters, head office and principal  
place of business in Hong Kong:*

Units 4004–5, 40th Floor  
Cosco Tower  
183 Queen's Road Central  
Hong Kong

29 August 2025

*To the Qualifying Shareholders and, for information only, the Non-Qualifying Shareholders (if any)*

Dear Sir or Madam,

**RIGHTS ISSUE ON THE BASIS OF FIVE (5) RIGHTS SHARES FOR  
EVERY ONE (1) CONSOLIDATED SHARE  
HELD ON THE RECORD DATE ON  
A NON-UNDERWRITTEN BASIS**

**INTRODUCTION**

References are made to the Announcement, and the Circular in relation to, among other things, the Share Consolidation, Increase in Authorised Share Capital and the Rights Issue.

The purpose of this Prospectus is to provide you with, among other things, further information regarding the Rights Issue, certain financial information and other general information of the Group.

## LETTER FROM THE BOARD

### RIGHTS ISSUE

The Board proposes to raise gross proceeds of up to approximately HK\$127.86 million, through a Rights Issue of 255,728,860 Rights Shares at the Subscription Price of HK\$0.5 per Rights Share based on five (5) Rights Shares for every one (1) Consolidated Share held by the Qualifying Shareholders on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be available to Non-Qualifying Shareholders.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares.

Further details of the Rights Issue are set out below:

#### **Rights Issue statistics**

<b>Basis of the Rights Issue:</b>	five (5) Rights Shares for every one (1) Consolidated Share held by the Qualifying Shareholders at the close of business on the Record Date
<b>Subscription Price:</b>	HK\$0.5 per Rights Share
<b>Net Subscription Price (after expenses):</b>	HK\$0.49 per Rights Share
<b>Number of Shares in issue as of the Latest Practicable Date:</b>	255,728,860 Shares
<b>Number of Consolidated Shares upon the Share Consolidation becoming effective:</b>	51,145,772 Consolidated Shares (assuming that there is no further issue or repurchase of new Shares between the Latest Practicable Date and the effective date of the Share Consolidation)
<b>Number of Rights Shares:</b>	Up to 255,728,860 Rights Shares (assuming there is no further issue or repurchase of new Shares between the Latest Practicable Date and the Record Date)
<b>Gross proceeds from the Rights Issue:</b>	Up to approximately HK\$127.86 million before expenses (assuming there is no further issue or repurchase of new Shares between the Latest Practicable Date and the Record Date and all Rights Shares are taken up by the Qualifying Shareholders or the Unsubscribed Rights Shares are successfully placed by the Placing Agent under the Placing)

## LETTER FROM THE BOARD

Assuming there is no change to the total issued capital of the Company on or before the Record Date, 255,728,860 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 500% of the theoretical total issued share capital of the Company (after taking into account the effect of the Share Consolidation) as at the Latest Practicable Date; and (ii) 83.33% of the theoretical total issued share capital of the Company (after taking into account the effect of the Share Consolidation) as enlarged by the allotment and issuance of the Rights Shares immediately upon Completion.

### **Undertakings**

The Company has not received any information or irrevocable undertaking from any substantial shareholder of the Company of any intention in relation to the Rights Shares to be provisionally allotted to that Shareholder under the Rights Issue as at the Latest Practicable Date.

### **Qualifying Shareholders**

The Rights Issue is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders; and (ii) the Overseas Letter together with the Prospectus, for information only, to the Non-Qualifying Shareholders.

To qualify for the Rights Issue, the Shareholders must at the close of business on the Record Date: (i) be registered on the registers of members of the Company; and (ii) not be the Non-Qualifying Shareholders.

In order to be registered as members of the Company on the Record Date, the Shareholders must lodge any transfer of the Shares (with the relevant share certificates) for registration with the Registrar by 4:30 p.m. on Thursday, 21 August 2025.

### **Non-Qualifying Shareholders**

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will comply with Rule 13.36(2) of the Listing Rules and make enquiries regarding the feasibility of extending the offer of the Rights Shares to the Overseas Shareholders, if any. If, based on the legal opinions to be provided by the legal advisers to the Company, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s), such Overseas Shareholders will become a Non-Qualifying Shareholder and will not be entitled to participate in the Rights Issue. The result of the enquiries and the basis of the exclusion, if any, will be included in the

## LETTER FROM THE BOARD

Prospectus. As at the Latest Practicable Date, there was one Overseas Shareholder with a registered address situated in the Republic of Seychelles holding 1,390,556 Shares, representing approximately 2.72% of the total number of the issued Shares of the Company.

Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Directors have conducted inquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholder with registered address in the Republic of Seychelles. Based on legal advice provided by the legal advisers as to the laws of the Republic of Seychelles engaged by the Company as at the Latest Practicable Date and having considered the circumstances, the Board is of the opinion that there is no legal restriction or requirement of any relevant regulatory body or stock exchange in the Republic of Seychelles with respect to extending the Rights Issue to the Overseas Shareholder with registered address in the Republic of Seychelles. Accordingly, the Rights Issue will be offered to the Overseas Shareholder in the Republic of Seychelles and it is considered as the Qualifying Shareholder.

As at the Latest Practicable Date, there were no Non-Qualifying Shareholders. Since the register of members is closed from Friday, 22 August 2025 to Thursday, 28 August 2025, there will be no Non-Qualifying Shareholders as at the Record Date. Accordingly, there will be no Non-Qualifying Shareholders for the purpose of the Rights Issue.

### **Subscription Price**

The Subscription Price of HK\$0.5 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares and, where applicable, when a transferee of the nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 52.38% to the theoretical closing price of HK\$1.050 per Consolidated Share (after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 22.48% to the theoretical closing price of HK\$0.645 per Consolidated Share (after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 20.63% to the average theoretical closing price of approximately HK\$0.63 per Consolidated Share (after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to the Last Trading Day;

## LETTER FROM THE BOARD

- (iv) a discount of approximately 22.12% to the average theoretical closing price of approximately HK\$0.642 per Consolidated Share (after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange for the late ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 4.62% to the theoretical ex-rights price of approximately HK\$0.5242 per Consolidated Share as adjusted for the effect of the Rights Issue, based on the theoretical closing price of HK\$0.645 per Consolidated Share (after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 18.73%, which is calculated based on the theoretical diluted price of approximately HK\$0.5242 per Consolidated Share to the benchmarked price of approximately HK\$0.645 per Consolidated Share (as defined under Rule 7.27B of the Listing Rules, taking account the higher of (i) the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day and (ii) the average of the theoretical closing prices of the Consolidated Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the Last Trading Day);
- (vii) a premium of approximately HK\$2.82 over the audited net liability value per Consolidated Share of approximately HK\$2.32 based on the latest audited consolidated net liabilities of the Group of approximately RMB111.35 million (equivalent to approximately HK\$118.51 million) as at 31 December 2024 and the theoretical number of Consolidated Shares (after taking into account the effect of the Share Consolidation) in issue as at the Last Trading Day (i.e.  $255,728,860 \text{ Shares} / 5 = 51,145,772 \text{ Consolidated Shares}$ ); and
- (viii) a discount of approximately 37.11% to the theoretical closing price of HK\$0.795 per Consolidated Share (after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange on the latest practicable date prior to the printing of the Circular for ascertaining certain information contained herein.

With respect to the larger discount of the Subscription Price to the price as at the Latest Practicable Date compared to that as at the Last Trading Day, the Group's management has confirmed, upon inquiry, that they are not aware of any specific factors that could explain the fluctuations in the closing Share prices during the period between the Last Trading Day and the Latest Practicable Date.

## LETTER FROM THE BOARD

The theoretical diluted price, the benchmarked price, and theoretical dilution effect for the Rights Issue are approximately HK\$0.5242 per Consolidated Share, HK\$0.645 per Consolidated Share, and 18.73%, respectively. Despite the theoretical dilution effect of 18.73%, it is the combined effect of achieving the fund raising requirement and the determination of the Subscription Price to attract Shareholders in participating in the Rights Issue (as detailed below), the Rights Issue represents the Group's ability to raise new capital, to improve its gearing and financial performance by lowering the level of debt and financing costs of the Group. The Rights Issue will not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

The Subscription Price was arrived at after an arm's length negotiation, based on, among other things, the prevailing market price of the Shares and the Group's financial conditions.

In determining the Subscription Price, the Directors have considered, among other thing as mentioned above, the closing price in the past three months prior to and including the Last Trading Day (the "**Relevant Period**"), as a benchmark to reflect the prevailing market conditions and recent market sentiment. During the Relevant Period, the Shares were traded on the Stock Exchange with an average closing price of approximately HK\$0.64 per Consolidated Share (after taking into account the effect of the Share Consolidation). The Subscription Price represents a discount of approximately 21.88% to the average closing price of the Shares of HK\$0.64 per Consolidated Share (after taking into account the effect of the Share Consolidation) under the Relevant Period. In addition, the average daily trading volume was approximately 228,750 Shares, representing approximately 0.09% of the total number of issued Shares as at the Last Trading Day. Such relatively low average daily trading volume indicating a lack of liquidity and demand for the Shares.

In consideration of the above factors, in particular the weak market sentiment in the capital market in Hong Kong as a whole and in the Shares of the Company, and the anticipated market response to the Rights Issue, the Board is of the view that the Subscription Price should act as a market catalyst to attract Shareholders and investors to participate in the Rights Issue.

On the basis of the lack of liquidity and demand for the Shares, and in view of the funding needs of the Company, as discussed in the section headed "Reasons for the Rights Issue and the intended use of proceeds" in this Prospectus, the Subscription Price was set at a discount to the benchmarked price of the Shares as described above to lower the further investment costs of the Shareholders so as to encourage Shareholders in taking up their entitlements to maintain their shareholdings in the Company, thereby minimizing dilution impact.



## LETTER FROM THE BOARD

The Directors (excluding the independent non-executive Directors) consider that the terms of the Rights Issue (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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

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

### **Basis of provisional allotments**

The basis of the provisional allotment shall be five (5) Rights Shares (in nil-paid form) for every one (1) Consolidated Share held by the Qualifying Shareholders as at the close of business on the Record Date.

Qualifying Shareholders may apply for all or any part of their respective provisional allotment by lodging a duly completed PAL(s) and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

### **Rights of the Overseas Shareholders**

The Prospectus Documents are not intended to be, have not been, and will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholder(s) may not be eligible to participate in the Rights Issue.

According to the register of members of the Company as of the Latest Practicable Date, the Company had one Overseas Shareholder holding 1,390,556 Shares, representing approximately 2.72% of the total number of the issued Shares, with its registered address located in the Republic of Seychelles.

Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Directors have conducted inquiries into the feasibility of extending the Rights Issue to the Overseas Shareholder with registered address in the Republic of Seychelles. Based on legal advice provided by the legal advisers as to the laws of the Republic of Seychelles engaged by the Company as at the Latest Practicable Date and having considered the circumstances, the Board is of the opinion that there is no legal restriction or requirement of any relevant regulatory body or stock exchange in the Republic of Seychelles with respect to extending the Rights Issue to the Overseas Shareholder with registered address in the Republic of Seychelles. Accordingly, the Rights Issue will be offered to the Overseas Shareholder in the Republic of Seychelles and it is considered as the Qualifying Shareholder.

## LETTER FROM THE BOARD

It is the responsibility of the Shareholders, including the Overseas Shareholder, wishing to make an application for the Rights Shares, to satisfy himself/herself/itself before taking up his/her/its provisional allotments under the Rights Issue, as to the observance of the laws and regulations of all relevant jurisdictions, including the obtaining of any governmental or other consents and to pay any taxes and duties required to be paid in such jurisdiction in connection with the taking up and onward sale of the Rights Shares.

The Company reserves the right to treat as invalid any acceptance of or application for the Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction.

The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before dealings in the nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. The proceeds from such sale, less expenses, of more than HK\$100 will be paid pro rata to the relevant Non-Qualifying Shareholders. Given administrative costs, the Company will retain individual amounts of HK\$100 or less for its benefit.

Any unsold entitlement of Non-Qualifying Shareholders to the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders will, if possible, be placed by the Placing Agent under the Unsubscribed Arrangements to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties.

**Overseas Shareholders should note that they may or may not be entitled to the Rights Issue. Accordingly, Overseas Shareholders should exercise caution when dealing with the Company's securities.**

### **No fractional entitlement**

Based on the entitlement to subscribe five (5) Rights Shares for every one (1) Consolidated Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise from the Rights Issue.

## LETTER FROM THE BOARD

### **Application for listing**

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

Dealing in the Rights Shares in their nil-paid and fully paid forms will be in the board lots of 5,000 Rights Shares.

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

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

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

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

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

### **Share certificates and refund cheques for Rights Issue**

Subject to the fulfilment of the conditions of the Rights Issue as set out below, share certificates for all fully paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on or before Wednesday, 22 October 2025.

If the Rights Issue does not become unconditional, refund cheques are expected to be despatched by ordinary post on or before Wednesday, 22 October 2025 at the respective Shareholders' own risk.

## LETTER FROM THE BOARD

### Non-underwritten basis

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.

In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders will be placed to independent placees under the Unsubscribed Arrangements. Any Unsubscribed Rights Shares that remain not placed under the Unsubscribed Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, Shareholder(s) who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code and/or potentially result in the Company's non-compliance of the Public Float Requirement of the Listing Rules. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down by the Company to a level which (i) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules; and/or (ii) does not result in the non-compliance of the Public Float Requirement. Any subscription monies not utilised due to the scaled-down application of entitled Rights Shares will be refunded to the affected applicants.

The scaling-down of applications for Rights Shares will be conducted in a fair and equitable manner, guided by the following principles:

- (a) if the scale-down is necessary due to an exceeding of shareholding by a group of Qualifying Shareholders acting in concert (referred to as the “**Affected Group(s) of Shareholders**”) rather than an individual Qualifying Shareholder, the allocations of PAL(s) to members of the Affected Group(s) of Shareholders will be determined based on the number of Shares held by the affected applicants on the Record Date; and
- (b) the allocations of PAL(s) to different Affected Group(s) of Shareholders and/or affected individual Qualifying Shareholders will be made on a pro rata basis, based on the number of Shares held by the affected applicant(s) and/or affected group(s) of applicant(s) on the Record Date.

## LETTER FROM THE BOARD

### **Procedures in respect of the Unsubscribed Rights Shares and the Unsubscribed Arrangements**

Pursuant to Rule 7.21(1)(b) of the Listing Rules, the Company must make arrangements to dispose of the Unsubscribed Rights Shares by offering the Unsubscribed Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the rights. There will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

On 17 June 2025 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares to independent placees on a best-effort basis. According to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares during the Placing Period to independent placees on a best-effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis. The Placing Agent will, on a best-effort basis, procure, by not later than 4:00 p.m. on Friday, 10 October 2025, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares. Any Unsubscribed Rights Shares that are not placed will not be issued by the Company, and the size of the Rights Issue will be reduced accordingly.

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

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

### **Procedures for acceptance, splitting of provisional allotment and payment and/or transfer of the Rights Shares**

Qualifying Shareholders will find enclosed with this Prospectus a PAL which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein.

If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than

## LETTER FROM THE BOARD

4:00 p.m. on Friday, 12 September 2025 (or, under bad weather and/or extreme conditions, such later date and/or time as mentioned in the section headed “Expected Timetable — Effect of Bad Weather and/or Extreme Conditions on the Latest Time for Acceptance” on the Latest Time of Acceptance in this Prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier’s orders which must be issued by, a licensed bank in Hong Kong and made payable to “**Tricor Investor Services Limited — A/C NO. 071**” and crossed “**ACCOUNT PAYEE ONLY**”. Such payment will constitute acceptance of the provisional allotment of Rights Shares on the terms of the Prospectus Documents and subject to the memorandum and articles of association of the Company. Any payments for the Rights Shares should be rounded up to nearest cent.

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:00 p.m. on Friday, 12 September 2025 (or, under bad weather and/or extreme conditions, such later date and/or time as mentioned in the section headed “Expected Timetable — Effect of Bad Weather and/or Extreme Conditions on the Latest Time for Acceptance” on the Latest Time of Acceptance in this Prospectus), whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled.

If the Qualifying Shareholders wish to accept only part of the provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or transfer all or part of their rights to more than one person (not as joint holders), the original PAL must be surrendered for cancellation by no later than 4:30 p.m. on Thursday, 4 September 2025 to the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong who will cancel the original PAL and issue new PALs in the denominations required. The new PALs will be available for collection from the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong after 9:00 a.m. on the second Business Day after the surrender of the original PAL. It should be noted that Hong Kong ad valorem stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

The Company is not obliged to but may (at its sole and absolute discretion) treat PAL(s) as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require the relevant person(s) to complete such incomplete PAL(s) at a later stage.

## LETTER FROM THE BOARD

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

All cheques or cashier's orders accompanying completed PALs will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order in payment for the Rights Shares whether by a Qualifying Shareholder or any nominated transferee, will constitute a warranty by such person that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque or cashier's order is dishonoured on first presentation, and in that event the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. Qualifying Shareholders must pay the exact amount payable upon application for Rights Shares, and any underpaid application will be rejected. In the event of an overpaid application, a refund cheque, without interest, will be made out to such applicant only if the overpaid amount is HK\$100 or above.

No receipt will be given in respect of any PAL and/or relevant application monies received. If any of the conditions of the Rights Issue as set out in the section headed "Letter from the Board — The Rights Issue — Conditions of the Rights Issue" is not fulfilled at or before 5:00 p.m. on Wednesday, 15 October 2025 (or such later date as the Company may determine), the Rights Issue will not proceed. Under such circumstances, the remittance received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in the nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person, without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, on or before Wednesday, 22 October 2025.



## LETTER FROM THE BOARD

### The Placing Agreement

The principal terms of the Placing Agreement are summarised below.

**Date:** 17 June 2025 (after trading hours)

**Issuer:** The Company

**Placing Agent:** Orient Securities Limited

As at the Latest Practicable Date, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

**Placing Period:** The period from 22 September 2025 up to 4:00 p.m. on 10 October 2025, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Unsubscribed Arrangements.

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

**Placing commission:** Subject to the completion of the Placing, the Company shall pay the Placing Agent a placing commission, being 0.5% of the amount which is equal to the Placing Price multiplied by the total number of the Unsubscribed Rights Shares which are successfully placed by the Placing Agent.

**Placees:** Depending on placees' subscription situations, placees may not be substantial shareholders in order to ensure that the Public Float Requirements are complied. The Unsubscribed Rights Shares are expected to be placed to placees, who are third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with any directors or substantial shareholders of the Company or its subsidiaries or any of their respective associates; and none of the placees shall be obliged to make a mandatory general offer to the other Shareholders under the Takeovers Code.



## LETTER FROM THE BOARD

**Ranking of the  
Unsubscribed Rights  
Shares:**

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

**Conditions of the Placing  
Agreement:**

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

- (i) the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Rights Shares;
- (ii) the Rights Issue having been approved by the Shareholders at the EGM by an ordinary resolution;
- (iii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and
- (iv) the Placing Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the force majeure events.

None of the above conditions precedent are capable of being waived by the parties to the Placing Agreement. For the avoidance of doubt, if all the Rights Shares are fully subscribed under the Rights Issue, the Placing will not proceed.

## LETTER FROM THE BOARD

The Company shall use its best endeavour to procure the fulfilment of the conditions to the Placing and undertakes to inform the Placing Agent promptly of any matter or circumstance which comes to its attention and indicates that any of such conditions are unable to be fulfilled. If any of such conditions have not been fulfilled by the Placing Long Stop Date (as defined below) or become incapable of being fulfilled (unless extended by mutual consent of the Company and the Placing Agent), then all respective rights, obligations and liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement and none of the parties thereto shall have any claim against any other in respect of the Placing.

### **Termination:**

If any of the following events occur at any time prior to the Placing Long Stop Date, the Placing Agent may (after such consultation with the Company and/or its advisers as the circumstances shall admit or be necessary), by giving a written notice to the Company, at any time prior to the date of completion of the Placing provided that such notice is received by the Company prior to 6:00 p.m. on the Placing Long Stop Date, terminate the Placing Agreement without liability to the other parties and, subject to clauses in the Placing Agreement which survives termination, the Placing Agreement shall thereupon cease to have effect and none of the parties to the Placing Agreement shall have any rights or claims by reason thereof save for any rights or obligations which may accrue under the Placing Agreement prior to such termination:

- (a) in the reasonable opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or

## LETTER FROM THE BOARD

- (b) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (c) any material breach of any of the representations and warranties by the Company comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date of completion of the Placing which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (d) any moratorium, suspension or restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances; or
- (e) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing.

The Unsubscribed Arrangements are in compliance with the requirements under Rule 7.21(1)(b) under which the No Action Shareholders may be compensated even if they do nothing (i.e. neither subscribe for Rights Shares nor sell their nil-paid rights) given that the Unsubscribed Rights Shares will be first offered to Independent Third Parties and any premium over the Subscription Price will be paid to the No Action Shareholders. The commission payable to the Placing Agent and the related fees and expenses in relation to such placing will be borne by the Company.

The Placing Agent confirms that it is an Independent Third Party. The terms of the Placing Agreement, including the placing commission, were determined after an arm's length negotiation between the Placing Agent and the Company with reference to the prevailing market rate and the Company considers the terms to be normal commercial terms.

## LETTER FROM THE BOARD

The Company considers that the Unsubscribed Arrangements will provide a compensatory mechanism for the No Action Shareholders, protect the interests of the Independent Shareholders, and be fair and reasonable, in the interests of the Company and the Shareholders as a whole.

Given that the Company has put in place the Unsubscribed Arrangements as required by Rule 7.21(1)(b) of the Listing Rules, there will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon the following conditions:

- (1) the Share Consolidation and the Increase in Authorised Share Capital becoming effective;
- (2) the delivery to the Stock Exchange and filing and registration with the Registrar of Companies in Hong Kong, the Prospectus Documents in compliance with the Listing Rules and the Companies (Winding-Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) not later than the Posting Date;
- (3) following registration, the posting of the Prospectus Documents to the Qualifying Shareholders (and where applicable, the posting of the Prospectus to the Non-Qualifying Shareholders, if any, for information purposes only) and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Posting Date;
- (4) the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) by no later than the first day of their dealings;
- (5) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect; and
- (6) all other necessary waivers, consents, and approvals (if required) from the relevant governmental or regulatory authorities for the Rights Issue and the transactions contemplated thereunder having been obtained and fulfilled.

None of the above conditions precedent can be waived. If any of the conditions referred to above are not fulfilled at or before 5:00 p.m. on Wednesday, 15 October 2025 (or such later date as the Company may determine), the Rights Issue will not proceed.

## LETTER FROM THE BOARD

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

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

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

Assuming that the Rights Issue is fully accepted and no new shares will be allotted or issued on or before the Record Date, the net proceeds of the Rights Issue (the “**Net Proceeds**”) to be received by the Company, after deducting all estimated expenses payable for the Rights Issue, are estimated to be up to approximately HK\$125.73 million. The Directors plan to use such proceeds as to (i) approximately HK\$100.58 million, which represents approximately 80% of the Net Proceeds, for repayment of the Group’s current liabilities, specifically those debts, liabilities, or other payables that are expected to be due and payable within twelve months upon Completion, and (ii) approximately HK\$25.15 million, which represents approximately 20% of the Net Proceeds, for the Group’s general corporate and administration working capital purposes, which primarily includes (a) staff salaries expenses of approximately HK\$22.90 million; (b) rental expenses of approximately HK\$0.56 million; and (c) business development expenses of approximately HK\$0.43 million. These funds of HK\$0.43 million will support the Company’s efforts in smart manufacturing and industrial automation, particularly in upgrading legacy systems and optimizing integrity management within petroleum and petrochemical operations, thereby supporting the Group’s ongoing business activities.

As disclosed in the Company’s annual report for the year ended 31 December 2024, the Group experienced a net loss of approximately RMB73.54 million during the year ended 31 December 2024. As of the same date, the Group reported net current and total liabilities amounting to approximately RMB181.00 million and RMB111.35 million, respectively, with the Group’s bank and cash balances as at 31 May 2025 amounted to approximately RMB15.08 million. These circumstances indicate a material uncertainty that may seriously affect the Group’s ability to continue as a going concern.

Specifically, according to the Group’s unaudited financial position as at 31 May 2025, the Group’s total outstanding bank and other borrowings, including both principal and interest, amount to approximately RMB202.45 million, which are due for repayment within the next twelve (12) months from the date of the Announcement.

As at the Latest Practicable Date, the composition of these outstanding borrowings includes (i) approximately RMB6.07 million in bank loans; and (ii) approximately RMB196.38 million in other borrowings.

## LETTER FROM THE BOARD

(1) The key terms of bank loans are presented below:

	<b>Lender</b>	<b>Total outstanding borrowings <i>Approximately</i></b>	<b>Interest rate</b>	<b>Maturity date</b>
(i)	Bank of China	RMB4.30 million	3.60% per annum	March 2024 to March 2026
(ii)	Bank of China	RMB0.76 million	3.60% per annum	March 2025 to March 2026
(iii)	Industrial and Commercial Bank of China	RMB1.01 million	2.80% per annum	July 2024 to July 2025
	Total	RMB6.07 million		

(2) The key terms of the outstanding other borrowings are presented below:

	<b>Lender</b>	<b>Identity</b>	<b>Total outstanding borrowings <i>Approximately</i></b>	<b>Interest rate</b>	<b>Maturity date</b>
(i)	Ms. Guo Lei	Non-executive Director	RMB65.51 million	2.5% to 3.5% per annum	November 2025 to March 2026
(ii)	Mr. Ding Zhigang	Non-executive Director	RMB0.93 million	2.5% per annum	December 2025
(iii)	Mr. Ning Jun	Shareholder	RMB11.75 million	3.5% per annum	March 2026
(iv)	Zhongjia Xinda Investment Co., Ltd.* (中嘉信達投資有限公 司), a corporation that is ultimately and beneficially owned by more than 50% by Mr. Ding Zhigang ( <i>Note</i> )	Associate of the Company's connected person	RMB3.00 million	2.5% per annum	December 2025
(v)	An independent third- party corporation ( <i>Note</i> )	Independent third party	RMB110.68 million	3.5% per annum	August 2025

## LETTER FROM THE BOARD

	<b>Lender</b>	<b>Identity</b>	<b>Total outstanding borrowings Approximately</b>	<b>Interest rate</b>	<b>Maturity date</b>
(vi)	An independent third-party (individual) (Note)	Independent third party	RMB0.92 million	Nil	31 December 2025
(vii)	An independent third-party corporation (Note)	Independent third party	RMB3.59 million	3.5% per annum	31 December 2025
		<b>Total</b>	<b>RMB196.38 million</b>		

*Note:* As of the Latest Practicable Date, Zhongjia Xinda Investment Co., Ltd.\* (中嘉信達投資有限公司), the independent third-party (including corporations and individual) do not hold any Share.

The Group plans to use the Net Proceeds to repay the above bank loans first, followed by the above outstanding other borrowings, in accordance with their respective maturity dates, unless the involved parties mutually agree to an extension.

To strengthen the Group's financial position, the Board plans to allocate 80% of the net proceeds to partially reduce outstanding borrowings, thereby improving the overall debt balance. The Group is committed to systematically repaying its remaining borrowings through operating cash flow primarily generated from its core business activities. These activities include but are not limited to the sale of power line communication products, energy-saving and environmental protection solutions, as well as the provision of essential maintenance services for the deployment and upgrades of automated meter reading systems utilized by power grid companies in the PRC.

Further, the Group must maintain sufficient cash reserves for essential expenditures to support ongoing operations and meet compliance obligations. These expenditures include, but are not limited to, legal and professional fees, Directors' remuneration, and staff costs, which amount to a total of not less than HK\$6 million. However, according to the latest financial information available to the Board, the Group possesses idle cash reserves of approximately RMB1.4 million. Consequently, the Group must seek to raise additional capital to address its immediate financial commitments and working capital needs.

The Directors believe that the Rights Issue will raise the Group's corporate profile and enhance its capital base, enabling it to expand the scale and scope of its operations further.

## LETTER FROM THE BOARD

Apart from the Rights Issue, the Directors have considered other debt/equity fund raising alternatives such as bank borrowings, placing, or an open offer. The Directors noted that bank borrowings will carry interest costs and may require the provision of security and creditors will rank before the Shareholders, and placings will dilute the interests of Shareholders without allowing them to take part in the exercise. As opposed to an open offer, the Rights Issue enables the Shareholders to sell the nil-paid rights in the market. The Rights Issue will allow the Qualifying Shareholders to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Company.

Considering the abovementioned alternatives, the Directors consider raising funds through a Rights Issue more attractive in the current market conditions. The Rights Issue will enable the Company to strengthen its working capital base and enhance its financial position while allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company.

As at the Latest Practicable Date, save as disclosed in this Prospectus, the Company currently (i) does not have any agreement, arrangement, understanding, intention, or negotiation (either concluded or in process) on any potential fundraising activities which will involve issue of equity securities of the Company; and (ii) has no other plan or intention to carry out any future corporate actions in the next twelve months which may have an effect of undermining or negating the intended purpose of the Rights Issue.

Furthermore, as at the Latest Practicable Date, the Company has no intention, understanding, negotiation, or arrangement to downsize, discontinue, or divest any part of its existing business.

Based on the above, the Board considers that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole. In addition, having considered the capital needs of the Group, the terms of the Rights Issue and the Subscription Price, the Board also considers that it is in the interests of the Company to proceed with the Rights Issue on a non-underwritten basis. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholder(s), if any, should note that their shareholdings will be diluted.

### **Conclusion**

If the proceeds raised by the Rights Issue is less than the aforesaid estimated net proceeds of approximately HK\$125.73 million, the Company will allocate the use of proceeds proportionately and will further evaluate options including, amongst others, reducing the proposed investment amount or exploring other financing, and/or fund-raising alternatives. The Group is focused on improving its profitability.



# LETTER FROM THE BOARD

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

As at the Latest Practicable Date, there were 170,496 outstanding Share Options under the Share Option Scheme. No Share Option was granted to a Director, chief executive (as defined in the Listing Rule) or substantial shareholder of the Company or an associate of any of them under the Share Option Scheme since the adoption of the Share Option Scheme. Pursuant to the terms of the Share Option Scheme, the Rights Issue may lead to adjustments to, among others, the exercise price and/or the number of Shares to be issued upon exercise of the outstanding Share Options under the Share Option Scheme. The Company will notify the holders of such Share Options and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made (if any) pursuant to the terms of the Share Option Scheme and such adjustment will be certified by an independent financial adviser or auditors of the Company (as the case may be).

For illustrative purposes only, set out below is the preliminary adjustment in relation to the outstanding Share Options upon the effective of the Share Consolidation and the completion of Rights Issue, using the market price of the Share as at the Latest Practicable Date:

As at the Latest Practicable Date		For illustrative purposes only Immediately upon the effectiveness of the Share Consolidation		Immediately upon the completion of the Rights Issue	
		Adjusted exercise price per Share (HK\$)	Adjusted number of Shares issuable on the exercise in full of the outstanding Share Options	Adjusted exercise price per Share (HK\$)	Adjusted number of Shares issuable on the exercise in full of the outstanding Share Options
Number of Outstanding Share Options	Exercise price per Share (HK\$)				
170,496	1.724	8.62* <i>Note 1</i>	34,099* <i>Note 1</i>	3.7171* <i>Note 2</i>	79,076* <i>Note 2</i>

## LETTER FROM THE BOARD

*Notes:*

1. The method of adjustment of the exercise price per Share and the number of Shares on the exercise in full of the outstanding Share Options upon the effectiveness of the Share Consolidation:

$$\text{Adjusted Exercise Price} = \text{Existing Exercise Price} \times F$$

$$\text{Adjusted Number of Share Options} = \text{Existing Share Options} \times F$$

*Where*

$$F = \text{Consolidation Factor}$$

2. The method of adjustment of the exercise price per Share and the number of Shares on the exercise in full of the outstanding Share Options upon the completion of the Rights Issue:

$$\text{Adjusted Exercise Price} = \text{Existing Share Options (after taking into account the effect of the Share Consolidation)} \times (1/F)$$

$$\text{Adjusted number of Share Options} = \text{Existing Options} \times F$$

*Where*

$$F = \text{CUM/TEEP}$$

*CUM = Closing price as shown in the Daily Quotation Sheet of the Exchange on the last day of trading before going Ex-Entitlement*

$$\text{TEEP (Theoretical Ex Entitlement Price)} = (\text{CUM} + (M \times R))/(1+M)$$

*M = Entitlement per Consolidated Share*

*R = Subscription Price*

For illustrative purposes, assuming CUM is HK\$1.58 (after taking into account the effect of the Share Consolidation), M is 5, and R is HK\$0.5, the TEEP would be calculated as HK\$0.6792, resulting in an adjustment factor F of approximately 2.3190. Based on this, an existing exercise price of HK\$8.62 would be adjusted to HK\$3.7171, and 34,099 outstanding Share Options would be adjusted to 79,076 Shares issuable upon full exercise.

As at the Latest Practicable Date, the Company's current outstanding mandate for the grant of new share options is 6,885,003 Shares, representing 2.69% of the issued share capital of the Company. Following the Share Consolidation, the corresponding number of Consolidated Shares is 1,377,000.

Save for the foregoing, as at the Latest Practicable Date, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares prior to the Record Date. Save for the Rights Issue, the Company has no further intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

## LETTER FROM THE BOARD

### FUNDRAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fundraising activities in the past twelve months immediately prior to the Latest Practicable Date.

### EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the possible changes in the Company's shareholding structure arising from the Rights Issue, which are for illustrative purposes only. Below is the illustration of the Company's shareholding structure, including

- (i) as of the Latest Practicable Date;
- (ii) immediately upon completion of the Share Consolidation, assuming there is no change to the total issued share capital of the Company on or before the EGM ("**Scenario 1**");
- (iii) immediately after Completion, assuming (a) all Qualifying Shareholders will take up their respective entitlements of the Rights Issue in full; and (b) there is no change to the total issued share capital of the Company on or before the Record Date ("**Scenario 2**");
- (iv) immediately after Completion, assuming (a) except for Ms. Liu Beibei, Ms. Fu Xiaoqin, Mr. Ding Zhigang, Mr. Yu Lu, and Mr. Tsang Wah Tak Brian, no Qualifying Shareholders takes up any of his/her/its entitlements under the Rights Issue; (b) none of the Unsubscribed Rights Shares are taken up by independent placee(s) under the Unsubscribed Arrangements; (c) there is no change to the total issued share capital of the Company on or before the Record Date; and (d) the application of Mr. Ding Zhigang, Mr. Yu Lu, Mr. Tsang Wah Tak Brian, Ms. Liu Beibei, and Ms. Fu Xiaoqin for their assured entitlement under the Rights Issue has been scaled down to a level that does not result in the non-compliance of the Public Float Requirement ("**Scenario 3**"); and

## LETTER FROM THE BOARD

- (v) immediately after Completion, assuming (a) none of the Qualifying Shareholders will take up their respective entitlements of the Rights Shares; (b) the Placing Agent will successfully place all the Unsubscribed Rights Shares under the Placing, and (c) there is no change to the total issued share capital of the Company on or before the Record Date (“**Scenario 4**”).

	As of the Latest Practicable Date		Scenario 1		Scenario 2		Scenario 3 (Note 4)		Scenario 4 (Notes 3, 5)	
	Approximate		Approximate		Approximate		Approximate		Approximate	
	Number of Shares	Shareholding percentage	Number of Shares	Shareholding percentage	Number of Shares	Shareholding percentage	Number of Shares	Shareholding percentage	Number of Shares	Shareholding percentage
<b>Substantial Shareholders</b>										
Liu Beibei	33,772,112	13.21%	6,754,423	13.21%	40,526,538	13.21%	29,083,742	24.12%	6,754,423	2.20%
Fu Xiaojin	33,000,000	12.90%	6,600,000	12.90%	39,600,000	12.90%	28,418,816	23.57%	6,600,000	2.15%
<b>Directors</b>										
Ding Zhigang (Note 2)	19,670,092	7.69%	3,934,018	7.69%	23,604,108	7.69%	16,939,413	14.05%	3,934,018	1.28%
Yu Lu (Note 2)	17,252,250	6.75%	3,450,450	6.75%	20,702,700	6.75%	14,857,227	12.32%	3,450,450	1.12%
Tsang Wah Tak Brian (Note 1)	1,315,000	0.51%	263,000	0.51%	1,578,000	0.51%	1,132,447	0.94%	263,000	0.09%
<b>Public Shareholders</b>										
Ning Jun (Note 7)	20,280,000	7.93%	4,056,000	7.93%	24,336,000	7.93%	4,056,000	3.36%	4,056,000	1.32%
The Placees (Note 6)	—	—	—	—	—	—	—	—	255,728,860	83.33%
Other public Shareholders	130,439,406	51.01%	26,087,881	51.01%	156,527,286	51.01%	26,087,881	21.64%	26,087,881	8.50%
	<u>255,728,860</u>	<u>100.00%</u>	<u>51,145,772</u>	<u>100.00%</u>	<u>306,874,632</u>	<u>100.00%</u>	<u>120,575,526</u>	<u>100.00%</u>	<u>306,874,632</u>	<u>100.00%</u>

*Notes:*

1. Mr. Tsang Wah Tak Brian is an executive Director.
2. Both Mr. Ding Zhigang and Mr. Yu Lu are non-executive Directors.
3. This scenario is for illustrative purposes only. The Company has entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure Placee(s), on a best-effort basis, to subscribe for the Unsubscribed Rights Shares.

## LETTER FROM THE BOARD

4. Assuming (a) except for Ms. Liu Beibei, Ms. Fu Xiaoqin, Mr. Ding Zhigang, Mr. Yu Lu, and Mr. Tsang Wah Tak Brian, no Qualifying Shareholders takes up any of his/her/its entitlements under the Rights Issue; (b) none of the Unsubscribed Rights Shares are taken up by independent placee(s) under the Unsubscribed Arrangements; and (c) there is no change to the total issued share capital of the Company on or before the Record Date; upon Completion, there will be 30,143,881 Shares held by public Shareholders, representing approximately 19.30% of the total issued Shares as enlarged by the allotment of the Rights Shares, which will be below the Public Float Requirement. In that case, the application of Mr. Ding Zhigang, Mr. Yu Lu, Mr. Tsang Wah Tak Brian, Ms. Liu Beibei and Ms. Fu Xiaoqin for their assured entitlement under the Rights Issue will be adjusted and scaled down to a level that does not result in the non-compliance of the Public Float Requirement.

As a result, the total number of shares held by Ms. Liu Beibei, Ms. Fu Xiaoqin, Mr. Ding Zhigang, Mr. Yu Lu, and Mr. Tsang Wah Tak Brian will be reduced to the number of shares as presented in Scenario 3 above. The Company is committed to maintaining compliance with the Public Float Requirement at all times.

5. In the extreme case as illustrated in Scenario 4 above, assuming that (a) none of the Qualifying Shareholders take up their respective entitlements of the Rights Shares; (b) the Placing Agent successfully places all the Unsubscribed Rights Shares to a single placee under the Placing; and (c) there is no change to the total issued share capital of the Company on or before the Record Date, upon Completion, only 26,087,881 Shares will be held by public Shareholders, representing approximately 8.50% of the total issued Shares as enlarged by the allotment of the Rights Shares, which falls below the minimum public float requirement under Rule 8.08(1). In such case, placing agent will determine to allocate such number of Unsubscribed Rights Shares to the single placee in order to ensure the compliance with the Public Float Requirements.

In other situation, when there is more than one placee, depending on placees' subscription situation, if the Public Float Requirements may not be met, the restriction that placees shall not be substantial shareholders may apply.

Upon receipt of subscription applications from placees under the Placing, the placing agent shall be obliged to thoroughly review such applications to ensure that the Public Float Requirements are complied.

6. Pursuant to the Placing Agreement, depending on placees' subscription situations, placees may not be substantial shareholders in order to ensure that the Public Float Requirements are complied. The Unsubscribed Rights Shares are expected to be placed to placees, who are third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with any directors or substantial shareholders of the Company or its subsidiaries or any of their respective associates; and none of the placees shall be obliged to make a mandatory general offer to the other Shareholders under the Takeovers Code.
7. Mr. Ning Jun holds 20,280,000 Shares, representing 7.93% of the issued Shares of the Company as at the Latest Practicable Date, thus is not a Substantial Shareholder and not a core connected person of the Company. In addition, Ning Jun does not fall within any of the categories specified under Rule 8.24 of the Listing Rules and is therefore regarded as a public Shareholder.

## **LETTER FROM THE BOARD**

### **LISTING RULES IMPLICATIONS**

As the Rights Issue will increase the total issued share capital of the Company by more than 50% within the 12 months immediately preceding the Latest Practicable Date, the Rights Issue is conditional on minority Shareholders' approval at the EGM under the requirements of Rule 7.19A of the Listing Rules.

Pursuant to Rule 7.27A(1) of the Listing Rules, where Shareholders' approval is required for a rights issue under rule 7.19A, the Rights Issue must be made conditional on approval by the Shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue.

As of the Latest Practicable Date, the Company does not have any controlling shareholder as defined under the Listing Rules. However, each of Mr. Tsang Wah Tak, Brian (executive Director), Mr. Yu Lu, and Mr. Ding Zhigang (both non-executive Directors) holds a beneficial interest in 1,315,000 Shares, 17,252,250 Shares, and 19,670,092 Shares, respectively. As part of the intended use of the Net Proceeds, a portion of the Net Proceeds will be used to partially settle the Group's outstanding borrowings. Mr. Ning Jun, a public Shareholder who does not fall within any of the categories under Rule 8.24 of the Listing Rules, has been identified as one of the Group's creditors whose debt is to be repaid by the Company. To avoid any conflict of interest, Mr. Ning Jun, together with Mr. Tsang Wah Tak, Brian, Mr. Yu Lu, and Mr. Ding Zhi Gang, will be required to abstain from voting in favour of the proposed resolutions to approve the Rights Issue and the transaction contemplated thereunder at the EGM. Save as the above disclosure, no Shareholders and Directors were required to abstain from voting in favour of the proposed resolution approving the Rights Issue and the transaction contemplated thereunder at the EGM.

### **PROFESSIONAL TAX ADVICE RECOMMENDED**

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Rights Shares, or about purchasing, holding or disposals of, or dealings in or exercising any rights in relation to the Shares or the Rights Shares. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares.

### **ADDITIONAL INFORMATION**

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

## LETTER FROM THE BOARD

### **WARNING OF THE RISK OF DEALINGS IN THE SHARES AND RIGHTS SHARES IN NIL-PAID FORM**

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

Shareholders and potential investors of the Company should note that if the conditions of the Rights Issue are not satisfied, the Rights Issue will not proceed. Any dealings in the Shares from the Latest Practicable Date up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Subject to the fulfilment of conditions, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholding in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Rights Shares. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in nil-paid form are recommended to consult their professional advisers.

By Order of the Board  
**Risecomm Group Holdings Limited**  
**Zhao Luyi**  
*Chairman and executive Director*

**A. FINANCIAL INFORMATION OF THE GROUP**

The financial information of the Group for the three years ended 31 December 2022, 2023 and 2024 are disclosed in the following documents which have been published on the websites of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company (<http://www.risecomm.com.cn>), respectively:

- (i) annual report of the Company for the year ended 31 December 2022 (pages 76 to 165) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042700671.pdf>)
- (ii) annual report of the Company for the year ended 31 December 2023 (pages 81 to 169) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0425/2024042502072.pdf>)
- (iii) annual report of the Company for the year ended 31 December 2024 (pages 84 to 169) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0425/2025042501515.pdf>)

**B. STATEMENT OF INDEBTEDNESS**

As at the close of business on 31 July 2025, being the latest practicable date for the purpose of ascertaining information contained in this indebtedness statement prior to the printing of this Prospectus, the indebtedness of the Group was as follows:

**Bank and other borrowings**

	<i>RMB'000</i> (unaudited)
Bank borrowings — unsecured and guaranteed ( <i>note (a)</i> )	3,286
Bank borrowings — unsecured and unguaranteed	6,000
Other borrowings — secured and unguaranteed ( <i>note (b)</i> )	139,250
Other borrowings — unsecured and guaranteed ( <i>note (c)</i> )	3,000
Other borrowings — unsecured and unguaranteed ( <i>note (d)</i> )	<u>96,151</u>
	<u><u>247,687</u></u>

*Notes:*

- (a) The amounts were guaranteed by Zhang Zipeng, a director of an indirect wholly owned subsidiary of the Company.
- (b) The other borrowing amounted to approximately RMB109,154,000 was secured by the entire equity interest of Risecomm Co. Ltd. and Risecomm (HK) Technology Company Limited, indirect wholly owned subsidiaries of the Company. The other borrowing amounted to approximately RMB30,096,000 was a loan provided by Fu Xiaoqin, a substantial shareholder of the Company, of which was secured by 30% equity interest of Zhongyi (BVI) International Limited, an indirect wholly owned subsidiary of the Company.



- (c) The other borrowing amounted to approximately RMB3,000,000 was a loan provided by Zhongjia Xinda Investment Co., Ltd., an entity that is controlled by Ding Zhigang, a non-executive director and a substantial shareholder of the Company. The loan was guaranteed by Zhang Zipeng and Tang Andong, directors of indirectly wholly owned subsidiaries of the Company.
- (d) The other borrowing amounted to approximately RMB11,476,000 was a loan provided by Ning Jun, a substantial shareholder of the Company. The other borrowing amounted to approximately RMB911,000 was a loan provided by Ding Zhigang, a non-executive director and a substantial shareholder of the Company. The other borrowings amounted to approximately RMB62,949,000 were loans provided by Guo Lei, a non-executive director of the Company.

### Contingent liabilities and litigation

As at 31 July 2025, there is no material change for the commitments and contingencies that disclosed in note 43 to the consolidated financial statements set out in the Company's annual report for the year ended 31 December 2024 (the “**2024 Annual Report**”).

Save as disclosed above and apart from intra-group liabilities and normal accounts payable in the ordinary course of business of the Group, the Group did not have any outstanding indebtedness in respect of any mortgages, charges or debentures, loan capital, bank loans and overdrafts, loans, debt securities or other similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, guarantees or other material contingent liabilities as at the close of business on 31 July 2025.

### C. SUFFICIENCY OF WORKING CAPITAL

As at 31 July 2025, the Group had net current liabilities and net liabilities of approximately RMB68,776,000 and RMB178,911,000, respectively. The Group had total liabilities of approximately RMB348,735,000, including trade and other payables, bank borrowings and other borrowings, while the Group had cash and cash equivalent of approximately RMB19,000,000 as of the same date.

The directors would like to draw attention to the fact that the sufficiency of working capital of the Group in the next twelve months from the date of this Prospectus would depend upon the following:

- (i) whether the Group can successfully renew the bank and other borrowings with various lenders. As at the date of this Prospectus, the Group has obtained financial support from various lenders of other borrowings, which are related parties of the Group, of which sufficient financial resources will be available to the Group to enable it to meet its liabilities as and when they fall due. In addition, the Group has entered into contractual arrangements with certain lenders to extend the maturity of existing financing arrangements, including other borrowings of approximately RMB175,625,000 which would not be repayable within the next twelve months; and

(ii) whether the Rights Issue can be successfully proceeded.

The Directors have reviewed the Group's cash flow projections which cover a period not less than twelve months from the date of this Prospectus. The Directors, after due and careful enquiry and after taking into account the above plans and measures, the financial resources available to the Group, including cash flows generated from future operations, the existing cash and cash equivalent of the Group, are of the opinion that the Group will has sufficient working capital for its normal business operation for at least the next twelve months from the date of this Prospectus, in the absence of unforeseeable circumstances.

According to the 2024 Annual Report, the auditor's report on the Group's consolidated financial statements for the year ended 31 December 2024 has included an emphasis of matter paragraph related to its going concern.

#### **D. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Company since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up.

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

As reform of electric power system takes place, along with the construction of a new electric power system basing on new energy, it becomes necessary to increase investment in the entire chain of electric energy from electricity production to transmission and consumption. From power grid side, to ensure reliable power supply and safe operation, it is necessary to significantly improve the power system's peak shaving, frequency regulation and voltage regulation capabilities, and to configure relevant technical equipment. Against the background of the dual-carbon policy and the construction of a new electric power system basing on new energy, the development of the power Internet of Things is expected to accelerate. With the emergence of a large number of distributed wind and solar power generators, electric vehicle charging piles, energy storage equipment and other two-way loads, the local quantitative IoT operating environment is becoming increasingly complex. As network scale increases and requirement for realtime transmission increases, there also puts forward a higher requirement on equipment communication speed, delay and reliability. In order to meet the needs of new power systems, State Grid has been accelerating the formulation of new technology standards. The new generation of smart meters will continue to be promoted, the older generation will continue to be updated, and the construction of new power systems will lead to the replacement of more energy meters. The number of smart meter tenders is expected to maintain a steady growth momentum in the future, which will in turn drive the growth in demand for PLC modules.

With the further advancement of carbon peaking and carbon neutrality strategies, the development of renewable energy such as photovoltaic and wind power will accelerate. Energy transformation requires the reshaping of the power grid, and the distribution network also needs to be transformed and upgraded.

Distribution network will become a key part of power grid construction in the “14th Five-Year Plan”. State Grid issued the “Action Plan for Building a New Power System with New Energy as the Main Body (2021–2030)”\* (構建以新能源為主體的新型電力系統行動方案(2021–2030年)) and proposed investment in distribution network construction will exceed RMB1.2 trillion, accounting for more than 60% of the total investment in power grid construction. China Southern Power Grid issued the “14th Five-Year Plan” power grid development plan, proposing a planned investment of approximately RMB670 billion yuan in power grid construction to accelerate the construction of digital power grids and the modernization of the power grid. Among them, the planned investment in distribution network construction reached RMB320 billion, accounting for 48% of the total. Historically, the investments of State Grid and China Southern Power Grid have mainly been concentrated in power transmission and transformation. The proportion of investment on the distribution network is expected to increase significantly in the future.

In 2025, State Grid and China Southern Power Grid will still be committed to the application of broadband dual-mode technology in power information collection systems and terminal products such as low-voltage distribution networks and measurement switches. The Group is promoting its broadband dual-mode products (including chips and modules) to more network provincial markets to further expand the competitiveness of the Group’s broadband dual-mode products in the domestic market. The Group will focus on the broadband dual-mode communication market, keeping its technologies updated, and actively participating in the development and marketing of broadband dual-mode products by State Grid, China Southern Power Grid and other provincial network companies. At the same time, founding on the research and development of its broadband or broadband dual-mode communication technology, the Group is actively promoting itself in more application markets including power grid low-voltage distribution network, measurement switch, and power Internet of Things market.

The application of the Group’s broadband and broadband dual-mode communication chips and communication modules will be set around smart power distribution, smart power consumption, smart microgrids and comprehensive power application requirement, and will also cover collection and application of power consumption information, photovoltaic or energy storage, industrial enterprises and parks and other energy management fields. The Group adopts broadband or broadband dual-mode integrated communication solutions, combined with edge computing technology, to develop a series of intelligent products adapted to the energy internet, and provides a variety of intelligent energy internet solutions for integrated energy and smart grids.

In addition, the Group is expanding its market in smart city lighting, smart air conditioning and integrated energy management systems and terminal products. With the national government's promotion of smart grid and smart city construction, support for energy conservation and emission reduction, promotion of new energy, and the expanding overseas smart meter market under the development of the "Belt and Road Initiative", the market for PLC technology is expected to maintain a good development trend in the next few years, which is expected to promote the sales of various products of the Group, especially in the field of maintenance and safety integrity systems in the petroleum and petrochemical industries which continue to expand its market scope, bringing more opportunities to the Group.

For the Group's smart manufacturing & industrial automation business, the Group believes that the growth of China industrial automation market would continue to be healthy given its current relatively low penetration rate and the rising cost of labour. As petrochemical enterprises are the pioneers of the manufacturing sector in China, major market participants have started to build smart oil fields, smart pipelines and smart factories.

The Group will continue to capture opportunities in the design and implementation of industrial automation systems, particularly in the area of maintenance and safety integrity system for the petroleum and petrochemicals industry, other manufacturing and construction businesses by leveraging the Group's own technologies and intellectual property rights.

For the Group's wind farm operation and maintenance business, the domestic wind power industry has been developing on a large scale for nearly a decade. With the passage of time, wind turbines wear out, and the maintenance of wind turbines has become the key to ensuring the proper functioning of wind farms. The industry believes that with the gradual reduction of high-quality wind power resource areas and new installed capacity in PRC, wind farm operation and maintenance services will provide huge potential for wind power equipment manufacturers to expand their business in the fiercely competitive new installed capacity market. The key points are as follows:

**1. Wind turbines are out of warranty, and demand for operation and maintenance services market is released**

Over the past fifteen years, PRC has gradually formed the world's largest wind power market. The rapid growth of wind power installed capacity has led to a significant increase in equipment maintenance. Domestic wind turbines had a two-year warranty before 2010 and a three-to-five year warranty thereafter. During the period from 2006 to 2010, with the rapid development of the domestic wind power industry, a large number of wind turbines were put into operation. Most of the wind turbines of this period are now in post-warranty stage. With the end of the warranty period, a huge wind farm operation and maintenance services market is gradually emerging. According to a research report by Bloomberg New Energy Finance on PRC's wind farm operation and maintenance services market, the total expenditure of wind farm operation and maintenance services in PRC reached US\$16 billion during the period between 2015 and 2022.

**2. The market potential has been greatly increased due to replacement of old turbines**

As high-quality wind resources are becoming increasingly scarce, in order to efficiently utilize those territories with high-quality wind resources, it will become inevitable to replace old wind turbines with new ones. In addition, as the service life of those wind turbines approaches their 20-year limit, there will be a large number of retired wind turbines in PRC. This means that there are new growth points in the highly competitive market for new installed capacity.

The warranty period of the Group's operation and maintenance contracts will expire in 2026–2029. The management team is also vigorously expanding new wind farm operation and maintenance services projects, including but not limited to business such maintenance services, trade in business, and other businesses.

*The following is the text of a report received from the Company's reporting accountants, Rongcheng (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, prepared for the purpose of inclusion in this Prospectus.*

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

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

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company (the “**Unaudited Pro Forma Financial Information**”) has been prepared by the Directors in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong limited (the “**Listing Rules**”) to illustrate the effect of the Rights Issue on the consolidated net tangible assets of the Group as if the Rights Issue had taken place on 31 December 2024.

The Unaudited Pro Forma Financial Information is prepared for illustrative purposes only and based on the judgements, estimates and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to the owners of the Company immediately after completion of the Rights Issue or any future date after completion of the Rights Issue.

<b>APPENDIX II</b>	<b>UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP</b>
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The Unaudited Pro Forma Financial Information is prepared based on the consolidated negative net tangible assets of the Group attributable to owners of the Company as at 31 December 2024, as extracted from the published annual report for the year ended 31 December 2024 of the Company and is adjusted to reflect the effect of the Rights Issue as if the Rights Issue had been completed on 31 December 2024.

Audited consolidated negative net tangible assets of the Group attributable to owners of the Company as at 31 December 2024 <i>RMB'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Rights Issue <i>RMB'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated negative net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue <i>RMB'000</i>	Audited consolidated negative net tangible assets of the Group attributable to owners of the Company per share 31 December 2024 <i>RMB</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated negative net tangible assets of the Group attributable to owners of the Company per share immediately after completion of the Rights Issue <i>RMB</i> <i>(Note 4)</i>
Based on 255,728,860 Rights Shares to be issued at Subscription Price of HK\$0.5 per Rights Share				
<u>(224,385)</u>	<u>116,426</u>	<u>(107,959)</u>	<u>(4.39)</u>	<u>(0.35)</u>

Notes:

1. The amount of consolidated negative net tangible assets of the Group attributable to owners of the Company as at 31 December 2024 is extracted from the published consolidated financial statements for the year ended 31 December 2024 of the Company, which is equal to the consolidated negative net assets attributable to owners as at 31 December 2024 of RMB111,346,000, after deducting intangible assets of approximately RMB113,039,000.
2. The estimated net proceeds from the Rights Issue of approximately HK\$125,730,000 (equivalent to approximately RMB116,426,000) is calculated based on 255,728,860 Rights Shares assuming to be issued on the completion of the Rights Issue at the Subscription Price of HK\$0.5 per Rights Share and after deduction of estimated related expenses of approximately HK\$2.13 million (equivalent to approximately RMB1.97 million).
3. The consolidated negative net tangible assets of the Group attributable to owners of the Company per share as at 31 December 2024 was calculated based on the consolidated negative net tangible assets of the Group attributable to owners of the Company as at 31 December 2024, divided by 51,145,772 Consolidated Shares.

4. The unaudited pro forma adjusted consolidated negative net tangible assets of the Group attributable to owners of the Company per share as at 31 December 2024 immediately after completion of the Rights Issue is calculated based on the unaudited pro forma adjusted consolidated negative net tangible assets of the Group attributable to owners of the Company immediately after completion of Rights Issue, divided by 306,874,632 Shares which represents 51,145,772 Consolidated Shares and 255,728,860 Rights Shares, assuming the Rights Issue has been completed on 31 December 2024.
5. For the purpose of the unaudited pro forma adjusted consolidated negative net tangible assets of the Group attributable to owners of the Company, the balances stated in HK\$ are translated into RMB at the approximately exchange rate of HK\$1 to RMB0.926 which was the prevailing exchange rate as at 31 December 2024 for illustration purpose only, and such translation does not constitute a representation that any amount has been, could have been, or may otherwise be exchanged or converted at the above rate.
6. Save as disclosed above, no adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2024.



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

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

容诚 | RCHK

Rongcheng (Hong Kong) CPA Limited  
3203A-05, 32/F, Tower 2, Lippo Centre,  
89 Queensway, Admiralty, Hong Kong  
TEL: (852) 2564 9788

*To the Directors of Risecomm Group Holdings Limited*

Dear Sirs,

We have completed our assurance engagement to report on the compilation of the unaudited pro forma financial information of Risecomm Group Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 31 December 2024 and related notes as set out in Appendix II to the prospectus issued by the Company dated 29 August 2025 (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described in Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed Rights Issue on the Group's financial position as at 31 December 2024 as if the Rights Issue had taken place at 31 December 2024. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial information for the year ended 31 December 2024 on which an annual report has been published.

## **Directors' Responsibilities for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

## **Our Independence and Quality Management**

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

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

## **Reporting Accountants' Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

<b>APPENDIX II</b>	<b>UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP</b>
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For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of the unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2024 would have been as presented.

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

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

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

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

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

**Opinion**

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

**Rongcheng (Hong Kong) CPA Limited**

*Certified Public Accountants*

**Fong Ho Keung**

Practising Certificate Number: P08079

Hong Kong

29 August 2025

## 1. RESPONSIBILITY STATEMENT

This prospectus, 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 Prospectus 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 Prospectus misleading.

## 2. SHARE CAPITAL

The authorised and issued share capital of the Company (a) as at the Latest Practicable Date; (b) immediately following the completion of the Increase in Authorised Share Capital and the Share Consolidation becoming effective but before the completion of the Rights Issue; and (c) immediately following the completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to and including the Record Date other than as a result of the Increase in Authorised Share Capital and the Share Consolidation) will be, as follows:

### (a) As at the Latest Practicable Date

<i>Authorised:</i>		<i>HK\$</i>
<u>1,000,000,000</u>	Shares of HK\$0.001 each	<u>1,000,000</u>
<i>Issued and fully paid:</i>		
<u>255,728,860</u>	Shares of HK\$0.001 each	<u>255,728.86</u>

### (b) Immediately following the Increase in Authorised Share Capital and the Share Consolidation becoming effective but before the completion of the Rights issue

<i>Authorised:</i>		<i>HK\$</i>
<u>1,000,000,000</u>	Consolidated Shares of HK\$0.005 each	<u>5,000,000</u>
<i>Issued and fully paid:</i>		
<u>51,145,772</u>	Consolidated Shares of HK\$0.005 each	<u>255,728.86</u>

**(c) Immediately following the Increase in Authorised Share Capital and the Share Consolidation becoming effective and upon completion of the Rights Issue**

*Authorised:* *HK\$*

<u>1,000,000,000</u>	Consolidated Shares of HK\$0.005 each	<u>5,000,000</u>
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*Issued and fully paid:*

<u>306,874,632</u>	Consolidated Shares of HK\$0.005 each	<u>1,534,373.16</u>
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The Rights Shares, when allotted, issued and fully-paid, shall rank *pari passu* in all respects with the Shares then in issue. Holder of the Rights Shares in their fully-paid form will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares.

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

As at the Latest Practicable Date, the Company has outstanding Share Options entitling the holders thereof to subscribe for a total of 170,496 Shares under the Share Option Scheme.

Save for the Share Options, the Company has no outstanding warrants, options or convertible securities in issue or other similar rights entitling holders thereof to convert into or exchange into or subscribe for new Shares as at the Latest Practicable Date.

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

### 3. DISCLOSURE OF INTERESTS

#### (a) Directors' and chief executives' interests and short positions in the Shares and underlying Shares

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of the SFO) which (i) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) are required, pursuant to section 352 of the SFO, to be entered in the register as referred to therein; or (iii) are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange are as follows:

*Long position in the shares and underlying shares*

Name of Directors	Nature of interests	Number of Shares	Approximate percentage of the issued share capital of the Company
Mr. Ding Zhigang ( <i>Note 1</i> )	Beneficial owner	19,670,092	7.69%
Mr. Yu Lu ( <i>Note 2</i> )	Beneficial owner	17,252,250	6.75%
Mr. Tsang Wah Tak Brian ( <i>Note 3</i> )	Beneficial owner	1,315,000	0.51%

*Notes:*

1. Mr. Ding Zhigang is a non-executive Director.
2. Mr. Yu Lu is a non-executive Director.
3. Mr. Tsang Wah Tak Brian is an executive Director.
4. The total issued shares of the Company was 255,728,860 as at the Latest Practicable Date.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO

(including interests or short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register as referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at the Latest Practicable Date, so far as the Directors and chief executive of the Company are aware, other than the Director or chief executive of the Company, the following persons had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

*Long position in the Shares*

Name of Shareholders	Nature of interests	Number of Shares	Approximate percentage of the issued share capital of the Company
Ms. Liu Beibei	Beneficial owner	33,772,112	13.21%
Ms. Fu Xiaoqin	Beneficial owner	33,000,000	12.90%
Mr. Ning Jun	Beneficial owner	20,280,000	7.93%
XinDaXin Group Company Limited (“ <b>XinDaXin</b> ”) (Note)	Beneficial owner	18,620,000	7.28%
Mr. Wu Yueshi	Interest in a controlled corporation	18,620,000	7.28%

*Note:*

XinDaXin is a company incorporated in Hong Kong with limited liability. XinDaXin is wholly owned by Silver Castle International Limited, a company incorporated in BVI with limited liability. Silver Castle International Limited is wholly owned by Mr. Wu Yueshi. By virtue of the SFO, Silver Castle International Limited and Mr. Wu Yueshi are deemed to be interested in the Shares in which XinDaXin is interested.



Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no person (other than a Director or chief executive of the Company) had, or was taken or deemed to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

#### **4. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS OF THE GROUP**

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2024, the date to which the latest published audited accounts of the Group were made up.

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

#### **5. DIRECTORS' SERVICE CONTRACTS**

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

#### **6. COMPETING INTERESTS**

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or controlling shareholders of the Company or their respective close associates had any business or interest which competes or may compete with the business of the Group, or have or may have any other conflicts of interest with the Group.

#### **7. LITIGATION**

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

**8. MATERIAL CONTRACT**

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

**9. EXPERT AND CONSENT**

The following is the qualification of the experts who has given opinion or advice contained in this Prospectus:

<b>Name</b>	<b>Qualification</b>
Rongcheng (Hong Kong) CPA Limited	Certified Public Accountants

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

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2024, being the date to which the latest published audited accounts of the Company were made up.

**10. EXPENSES**

The expenses in connection with the Rights Issue, including financial advisory fees, placing commission (assuming the Rights Issue is not fully-subscribed and any Unsubscribed Rights Shares are placed by the Placing Agent), printing, registration, translation, legal and accountancy charges are estimated to be up to approximately HK\$2.13 million, which are payable by the Company.

## 11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

### Board of Directors

#### *Executive Directors*

Ms. Zhao Luyi (*Chairman*)

Mr. Tsang Wah Tak, Brian

Mr. Jiang Feng

#### *Non-executive Directors*

Mr. Yu Lu

Mr. Ding Zhigang

Ms. Guo Lei

#### *Independent non-executive Directors*

Mr. Victor Yang

Ms. Lo Wan Man

Mr. Zou Heqiang

### Registered office

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

### Principal place of business in Hong Kong

Unite 4004–5, 40th Floor

Cosco Tower

183 Queen's Road Central

Hong Kong

### Authorised representatives

Ms. Zhao Luyi

Ms. Chau Hing Ling

### Business address of all Directors and authorised representatives

Unite 4004–5, 40th Floor

Cosco Tower

183 Queen's Road Central

Hong Kong

### Company secretary

Ms. Chau Hing Ling

### Principal share registrar and transfer office

Conyers Trust Company (Cayman) Limited

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman KY1-1111

Cayman Islands

<b>Hong Kong branch share registrar and transfer office</b>	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
<b>Principal bankers</b>	In Hong Kong: Bank of China (Hong Kong) Limited The Hongkong and Shanghai Banking Corporation Limited  In the PRC: Bank of China Limited China Merchants Bank
<b>Auditor</b>	SHINEWING (HK) CPA Limited Certified Public Accountants 17/F, Chubb Tower Windsor House 311 Gloucester Road Causeway Bay Hong Kong
<b>Reporting accountants</b>	Rongcheng (Hong Kong) CPA Limited 3203A-05 Tower 2, Lippo Centre Admiralty, Hong Kong
<b>Legal advisers to the Company</b>	ONC Lawyers 19th Floor, Three Exchange Square 8 Connaught Place, Hong Kong
<b>Placing Agent</b>	Orient Securities Limited Room 2203-04, 22/F, New World Tower 1 16-18 Queen's Road Central, Hong Kong

**12. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT****(a) Biographical details of Directors***Executive Directors*

**Ms. Zhao Luyi\*** (趙露憶) (“**Ms. Zhao**”), aged 37, was appointed as an executive Director and the chairman of the Board on 28 June 2024. Ms. Zhao is also a member of remuneration committee and nomination committee of the Company. Ms. Zhao possesses rich experience in investment and management. From 2009 to 2012, Ms. Zhao was a project manager in EV Capital Pte. Ltd., which was engaged in management consultancy services and corporate finance advisory services in Singapore. From 2012 to 2014, Ms. Zhao was the investment director of Shanghai Halo Capital, which was engaged in investment fund management and advisory services. Since 2014, Ms. Zhao acted as an executive director of Ho Hau Financial Leasing (Shanghai) Co. Limited\* (和厚融資租賃(上海)有限公司). Since 2015, she also acted as an executive director of Shanghai IHOME Investment Development Co. Limited\* (上海愛弘投資發展有限公司). Ms. Zhao has a master degree in finance.

On 28 June 2024, Ms. Zhao was appointed as a director of each of Risecomm (HK) Holding Co. Limited (“**Risecomm HK**”), Risecomm (HK) Technology Co. Limited (“**Risecomm HK Technology**”), Risecomm Co. Ltd (“**Old Cayman**”), Harvest Year Global Limited and Prime Key Holdings Limited, and as a general manager of Risecomm HK, subsequent to the resignation of Ms. Guo from such positions on the same day. Ms. Zhao obtained the legal advice required under Rule 3.09D of the Listing Rules and she confirmed that she understood her obligations as a director of a listed issuer in Hong Kong.

**Mr. Jiang Feng\*** (江峰) (“**Mr. Jiang**”), aged 52, was appointed as an executive Director on 19 April 2021.

Mr. Jiang has extensive experience in sales and sales management. Mr. Jiang has over 27 years of working experience in petroleum and petrochemical industries. Mr. Jiang obtained a bachelor’s degree in Exploration Geophysics from Jiangnan Petroleum Institute\* (江漢石油學院) (currently known as Yangtze University\* (長江大學)) in June 1994 and obtained a master’s degree of Business Administration from Communication University of China\* (中國傳媒大學) in July 2014.

Mr. Jiang is the sales director of Beijing Hongteng Weitong Technology Co., Ltd\* (北京鴻騰偉通科技有限公司), which is one of the subsidiaries of the Company.

**Mr. Tsang Wah Tak, Brian\*** (曾華德) (“**Mr. Tsang**”), aged 41, was appointed as an executive Director on 28 June 2024. Mr. Tsang possesses over 15 years of experience in the fields of insurance, financial services and management. From 2008 to 2011, Mr. Tsang worked as financial advisor in CBS Insurance Inc. He further acted as financial advisor for Affinity Financial Services Inc. since 2012. He is also currently an executive director of Enrich Developments which is engaged in real estate development in Canada. Mr. Tsang achieved a qualifying member of the Million Dollar Round Table from 2014 to 2016, and became a member of the Top of the Table in 2021. Mr. Tsang is a licensed person authorized by the Insurance Council of British Columbia to carry on insurance business. Ms. Tsang obtained the legal advice required under Rule 3.09D of the Listing Rules and he understood his obligations as a director of a listed issuer in Hong Kong.

***Non-executive Directors***

**Mr. Yu Lu\*** (于路) (“**Mr. Yu**”), aged 63, was appointed as a non-executive Director on 9 September 2021. Mr. Yu obtained a bachelor of Arts degree in English from Beijing Union University\* (北京聯合大學) in July 1988 and obtained an Executive Master’s degree of Business Administration (EMBA) from Nankai University\* (南開大學) in December 2012. Mr. Yu has worked in Tianjin Precious Metals Exchange Co., Ltd. since 2008 and has been its vice-chairman since 2013. Mr. Yu has extensive experience in the areas of investment and financial services.

**Mr. Ding Zhigang\*** (丁志綱) (“**Mr. Ding**”), aged 64, was appointed as a non-executive Director on 13 January 2022. Mr. Ding obtained a bachelor of laws degree in economic law from China University of Political Science and Law\* (中國政法大學) in July 1986. He then obtained a master’s degree of monetary banking from Chinese Academy of Social Sciences\* (中國社會科學院) in November 1998.

Mr. Ding is a lawyer of the People’s Republic of China, and he also has extensive experience in investment.

**Ms. Guo Lei\*** (郭磊) (“**Ms. Guo**”), aged 57, was appointed as an executive Director and the chairman of the Board on 5 June 2023. Ms. Guo was re-designated as a non-executive Director and ceased to be the chairman of the Board on 28 June 2024.

From September 2023 to June 2024, Ms. Guo was a director of Risecomm Microelectronics (Shenzhen) Co., Ltd., Risecomm HK Technology, Old Cayman, Harvest Year Global Limited, Prime Key Holdings Limited and was a general manager of Risecomm HK. Ms. Guo served as a director of Shangyi (BVI) International Limited (January–June 2024), Zhongyi (BVI) International Limited (March–June 2024), and Zhongyi (Hong Kong) International Limited (April–June 2024).

Ms. Guo obtained a bachelor degree in philosophy and a master degree in business administration from Nanjing University\* (南京大學) in July 1989 and March 2001, respectively.

Ms. Guo obtained a qualification of senior economist issued by the Personnel Department of Jiangsu Province in December 2001. Ms. Guo possesses rich experience in the new energy industry. From 2005 to 2006, Ms. Guo was the deputy general manager of Jiangsu New Energy Development Co., Ltd.\* (江蘇省新能源開發股份有限公司) (“**Jiangsu New Energy**”), a company listed on the Shanghai Stock Exchange (stock code: 603693), Ms. Guo then became the general manager of the company since 2007. From 2015 to 2021, Ms. Guo was appointed as the general manager and chairman of Jiangsu New Energy. From 2021 to 2022, Ms. Guo acted as an external director of Jiangsu Guoxin Group\* (江蘇省國信集團).

#### *Independent non-executive Directors*

**Mr. Victor Yang\*** (楊岳明) (“**Mr. Yang**”), aged 79, has been appointed as the independent non-executive Director on 5 June 2023. In addition, Mr. Yang is also the chairman of remuneration committee of the Company, a member of audit committee and nomination committee of the Company.

Mr. Yang obtained a Juris Doctorate degree from University of British Columbia in Canada in May 1970. Mr. Yang obtained his bachelor degree in commerce from University of British Columbia in Canada in November 1972. Mr. Yang has over 50 years of experience in legal practice primarily in the areas of corporate finance, commercial law, mergers, acquisitions and private wealth. Mr. Yang is a qualified lawyer in Hong Kong, British Columbia, Canada and the United Kingdom. Mr. Yang is presently a governor of the Canadian Chambers of Commerce in Hong Kong. Mr. Yang is also a member of the University of British Columbia, Canada, Dean of Law’s Council of Advisors since 2010.

Mr. Yang was one of the founders of Boughton Peterson Yang Anderson (“**BPYA**”) and served as a managing partner from July 1996 to March 2015. Mr. Yang’s partnership was continued under Zhong Lun Law Firms in March 2015, when BPYA changed its name to Zhong Lun Law Firm, and Mr. Yang continues to be a managing partner till March 2017 and remained as a partner till June 2019. In June 2019, Mr. Yang joined Yang Chan & Jamison LLP, a member firm of the Deloitte Legal network, as a managing partner until February 2023. After resigning from Yang Chan & Jamison LLP by the end of February 2023, Mr. Yang set up a new law firm Yang & Yang Solicitors LLP. (now known as YYC Legal LLP) which commenced business on 14 April 2023.

From January 2007 to August 2015, Mr. Yang was an independent non-executive director of China Agri-Industries Holdings Limited (stock code: 606), a company previously listed on the Stock Exchange. From July 2007 to August 2019, Mr. Yang was an independent non-executive director of Playmates Toys Limited (stock code: 869), a company listed on the Stock Exchange, primarily engaged in design, development, and distribution of toys and family products. From April 2008 to July 2019, Mr. Yang was an independent non-executive director of Singamas Container Holdings Limited (stock code: 716), a company listed on the Stock Exchange, primarily engaged in the business of manufacturing of containers and providing logistics services. From April 2014 to August 2019, Mr. Yang was an independent non-executive director of One Media Group Limited (stock code: 426), a company listed on the Stock Exchange, primarily engaged in media business in Hong Kong. From May 2015 to January 2016, Mr. Yang was an independent non-executive director of China Hanking Holdings Limited (stock code: 3788), a company listed on the Stock Exchange, primarily engaged in iron ore mining.

**Mr. Zou Heqiang\*** (鄒合強) (“**Mr. Zou**”), aged 56, has been appointed as the independent non-executive Director on 29 May 2019. In addition, Mr. Zou is also a member of the audit committee of the Company.

Mr. Zou graduated from Shanghai Medical University in 1991 with major in forensic medicine and obtained a master degree in Law from the Shanghai Academy of Social Sciences in 2005. Mr. Zou holds the qualifications of lawyer and deputy chief physician of general surgery.

After graduating from undergraduate degree, Mr. Zou has been engaged in the clinical work and management of pathology research, general surgery and intensive care, and obtained the title of deputy chief physician of general surgery. Mr. Zou changed to the lawyer industry in 2008 and is currently practicing at Shanghai Yingdong Law Firm, mainly focusing on the medical dispute resolution, system construction in the field of medical safety management and contract disputes. Mr. Zou was appointed as the legal counsel of the Shanghai Jing'an District Health Commission\* (上海市靜安區衛生健康委員會) and the mediator of the Shanghai Jing'an District Medical Dispute Resolution Committee\* (上海市靜安區醫患糾紛調解委員會). At the same time, Mr. Zou has been employed as the legal advisor for certain companies and has accumulated extensive experiences in corporate compliance and risk control.

**Ms. Lo Wan Man\*** (盧韻雯) (“**Ms. Lo**”), aged 50, has been appointed as the independent non-executive Director on 29 May 2019. Ms. Lo was appointed as the chairman of the nomination committee of the Company and the audit committee of the Company on 5 July 2021 and 5 June 2023, respectively. In addition, Ms. Lo is also a member of the remuneration committee of the Company.



Ms. Lo has over 20 years of experience in the area of accounting, auditing and financial management for both listed and private companies in Hong Kong and the PRC by working in an international accounting firm and other listed companies. Ms. Lo obtained a master of science in finance from City University of Hong Kong in November 2006. Ms. Lo worked at Ernst & Young from March 2001 to December 2003. Ms. Lo was then employed by Emperor Motion Picture (Hong Kong) Limited as finance manager from May 2004 to July 2008. Subsequently, Ms. Lo worked at New World Telecommunications Limited as finance manager in July 2008 until her resignation in March 2010. Ms. Lo was a finance manager of Midland IC&I Limited from May 2011 to January 2014. Ms. Lo was employed by MCGI Consultancy Limited as a senior consultant from May 2015 to September 2022. Ms. Lo has been working at Acclime Corporate Services Limited as director since October 2022.

Ms. Lo has been appointed as an independent non-executive director of Sky Light Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 3882) since 28 November 2022.

Since April 2019, Ms. Lo has been appointed as the company secretary and authorized representative of Man Shun Group (Holdings) Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1746). In addition, Ms. Lo has been appointed as a company secretary and authorized representative of K. H. Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1557) since 3 October 2022.

Ms. Lo is a certified public accountant of the Hong Kong Institute of Certified Public Accountants since January 2003.

#### ***Senior management***

**Ms. Chen Junling (陳俊玲)** (“**Ms. Chen**”), aged 52, is the general manager of Risecomm Beijing Comm responsible for overall supervision of sales and marketing of the AMR business. She has joined the Group as the general manager of Risecomm Beijing Comm since June 2014.

Ms. Chen has over 20 years of experience in electronics and power meter sales and marketing.

Prior to joining the Group, from November 2000 to August 2009, Ms. Chen worked as a sales manager in Beijing Taide Jiaxun Technology Co., Ltd., a company engaged in, among others, the sales of electrical and communication equipment. Ms. Chen was the sales manager of Beijing RSK Electronics from September 2009 to March 2014. Ms. Chen graduated from Henan Province Zhumadian First High School in the PRC in July 1990.

**Mr. Liu Ming\*** (劉明) (“**Mr. Liu**”), aged 54, is the executive president of Risecomm WFOE since November 2024, responsible for the overall operation and management of the company. Mr. Liu Ming joined the Group in June 2006 as the sales and marketing director of Risecomm WFOE and has been the vice president of Risecomm WFOE from February 2009 to October 2024. Mr. Liu was appointed as a director of Risecomm WFOE from September 2023 to September 2024. Mr. Liu was a director of Risecomm (Beijing) Technology Company Limited from May 2016 to August 2022.

Mr. Liu has approximately 30 years of experience in the intelligent technology industry. From 1994 to 2003, Mr. Liu worked in Shenzhen Kaifa Technology Co., Ltd., a company principally engaged in electronic product research and development and manufacturing electronic products and listed on the Shenzhen Stock Exchange (stock code: 000021), as a product research and development manager initially and then as a sales and marketing manager. From 2003 to 2005, Mr. Liu worked as a deputy general manager in Shenzhen Haoyuan Technology Co. Ltd. From 2005 to May 2006, Mr. Liu worked in Shenzhen Haoyuan Electronics Co., Ltd., as a deputy general manager.

Mr. Liu obtained a bachelor’s degree in Electro-mechanical and Electronic Precision Machinery from the University of Electronic Science and Technology of China in the PRC in July 1994.

**Ms. Chen Shuiying** (陳水英) (“**Ms. Chen SY**”), aged 50, is the vice president and financial controller of Risecomm WFOE responsible for financial system management of the Group. Ms. Chen SY has joined the Group as the financial controller of Risecomm WFOE since March 2013. Ms. Chen SY has been a director of each of Risecomm HK and Risecomm HK Technology since December 2015. Ms. Chen SY has been a director of Risecomm WFOE since May 2018 and the vice president of Risecomm WFOE since April 2020. Ms. Chen SY was an executive Director of the Company from July to October 2023.

Ms. Chen SY has approximately 27 years of experience in the areas of finance and accounting. From 1997 to 2001, Ms. Chen SY worked as an account supervisor at Shenzhen Guanlanhu Golf Club Co., Ltd., a golf and leisure resort operator in the PRC. From November 2001 to October 2008, Ms. Chen SY worked as a senior finance manager at Sylva Industries Limited, a Hong Kong company engaged in the manufacturing of rechargeable batteries, responsible for financial analysis. From November 2008 to October 2012, Ms. Chen SY worked as the finance manager (top financial officer) at ASV Stuebbe Pumps & Valves (Shenzhen) Co., Ltd., a company principally engaged in manufacturing and development of plastic pumps, valves and instrumentation systems, responsible for overall financial management of all subsidiaries in Asia.

Ms. Chen SY obtained a bachelor's degree in International Finance from Nanjing Audit University (currently known as Nanjing Audit University) in the PRC in July 1997.

**Ms. Zhu Deyun (朱德雲) (“Ms. Zhu”)**, aged 43, is a director of Zhongyi (Hong Kong) International Limited. Ms. Zhu joined the Group in July 2023. Ms. Zhu also serves as the executive director and general manager of Jiangsu Anyi Engineering Management Co., Ltd., where Ms. Zhu is entrusted with the comprehensive oversight of the company's operation management. Ms. Zhu has extensive management experience in the new energy industry and has led and managed several key local new energy projects, including but not limited to the Baoying Liubao Wind Farm, Baoying Luduo Wind Farm, Jinhua Anfeng Wind Farm, Jinhua Ansheng Wind Farm, and Huai'an Runfeng Wind Farm, etc.

Ms. Zhu graduated from Renmin University of China in July 2015.

**Mr. Ning Jun (寧軍) (“Mr. Ning”)**, aged 56, is the president of Risecomm WFOE. Mr. Ning joined the Group in August 2024, serving as executive director and general manager of Wuxi Risecomm Communication Technology Co., Ltd.

Mr. Ning has over 30 years of experience in the real estate and energy-related fields. From 1993 to 2001, Mr. Ning worked in Shanghai Far East Group, where Mr. Ning successively held positions including the business development and management of the Hong Kong business department in Guangdong Province, general manager of the Group's International Trade Center, and Director of the real estate business. From 2001 to 2006, Mr. Ning served as the general manager of Shanghai Ruisuo Investment Co., Ltd. Since 2006, Mr. Ning has been the chairman of Enrich Developments, a Canadian company. In the meantime, since 2020, Mr. Ning has also served as the chairman of Enrich Energy, another Canadian company.

Mr. Ning graduated from the department of architecture at Shanghai Urban Construction College in July 1992.

**Ms. Chau Hing Ling\* (周慶齡) (“Ms. Chau”)**, was appointed as the company secretary of the Company on 31 July 2023. Ms. Chau is currently an executive director of corporate services of Vistra Corporate Services (HK) Limited. Ms. Chau has over twenty years of experience in the corporate services industry. She is currently the company secretary/joint company secretary of certain listed companies.

Ms. Chau obtained a master of laws majoring in corporate and financial law from The University of Hong Kong in November 2007. Ms. Chau has been a fellow member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and a fellow member of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in United Kingdom since May 2013.

**(b) Business address of the Directors and the senior management of the Company**

The business address of the Directors, the senior management and authorized representatives is the same as the Company's head office and principal place of business in Hong Kong located at Unite 4004-5, 40th Floor, Cosco Tower, 183 Queen's Road Central, Hong Kong.

**13. AUDIT COMMITTEE**

As at the Latest Practicable Date, the audit committee of the Board comprised three independent non-executive Directors, namely, Mr. Victor Yang, Ms. Lo Wan Man and Mr. Zou Heqiang. The audit committee is chaired by Mr. Victor Yang. The audit committee is responsible for monitoring and reviewing the risk management procedures and internal control system of the Group.

**14. BINDING EFFECT**

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), so far as applicable.

**15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG**

A copy of each of the Prospectus Documents and the written consent as referred to in the paragraph headed "9. Expert and consent" in this appendix, have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong).

**16. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published on the websites of the Stock Exchange (<https://www.hkexnews.hk/>) and the Company (<http://www.risecomm.com.cn>) for 14 days from the date of this Prospectus:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for each of the three financial years ended 31 December 2022, 2023 and 2024;
- (c) the accountant's report on the unaudited pro forma financial information of the Group issued by Rongcheng (Hong Kong) CPA Limited, the text of which is set out in Appendix II to this Prospectus;
- (d) the material contract referred to in the paragraph headed "8. Material contract" of this appendix;
- (e) the written consent from the expert referred to in paragraph headed "9. Expert and consent" of this appendix;
- (f) the Circular; and
- (g) the Prospectus Documents.

**17. MISCELLANEOUS**

- (a) As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (b) As at the Latest Practicable Date, the Group had no exposure to foreign exchange liabilities.
- (c) In the event of any inconsistency, the English texts of this prospectus and the accompanying form of proxy shall prevail over their respective Chinese texts.

\* *For identification purpose only*