THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Tesson Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or other transferee or to the bank manager, licensed securities dealer or registered institution in securities, or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its 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 this circular.

TESSON HOLDINGS LIMITED
天臣控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 1201)

(1) ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE;
(2) CONNECTED TRANSACTIONS;
AND
(3) NOTICE OF SGM

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

軟庫中華 SBI China

Terms used in this circular (including this cover page) are defined in the section headed "Definitions" of this circular.

A letter from the Board is set out on pages 4 to 18 of this circular. A letter from the Independent Board Committee is set out on pages IBC-1 to IBC-2 of this circular. A letter from the Independent Financial Adviser is set out on pages IFA-1 to IFA-30 of this circular.

A notice convening the SGM to be held at Picasso Room B, B1 Level, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong at 11:00 a.m. on Monday, 20 October 2025 is set out on pages SGM-1 to SGM-2 of this circular.

A form of proxy for use at the SGM is enclosed with this circular. If you are a Shareholder and are not able to attend the SGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and any power of attorney or other authority (if any) under which it is signed, or a certified copy of that power of attorney, to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the SGM. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the SGM, or any adjournment thereof, should they so wish and in such event the form of proxy shall be deemed to be revoked.

26 September 2025

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This circular and the accompanying form of proxy, in both English and Chinese versions, are available on the Company's website at https://www.tessonholdings.com/ (the "**Company Website**") and on the website of the Hong Kong Exchanges and Clearing Limited at https://www.hkexnews.hk. To the extent that there are any inconsistencies between the English version and the Chinese version of this circular, the English version shall prevail.

Shareholders who have chosen or have been deemed consented to receive the corporate communications of the Company (the "**Corporate Communications**") via the Company Website and who for any reason have difficulty in receiving or gaining access to the circular and the form of proxy posted on the Company Website will promptly upon request be sent the circular and the form of proxy in printed form free of charge. Shareholders may at any time change their choice of the means of receipt (either in printed form or via the Company Website) and/or language(s) (either English only or Chinese only or both languages) of Corporate Communications.

Shareholders may send their request to receive the circular and the form of proxy in printed form, and/or to change their choice of the means of receipt and/or language(s) of Corporate Communications by notice in writing to the Company's Hong Kong Registrar and Transfer Office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or by sending an email to the share registrar of the Company in Hong Kong at tesson.ecom@computershare.com.hk.

Shareholders who have chosen to receive printed copy of the Corporate Communications in either English or Chinese version will receive both English and Chinese versions of this circular and the accompanying form of proxy since both languages are bound together into one booklet and sheet respectively.

In this circular and appendices, unless the context otherwise requires, the following terms and expressions shall have the following meanings:

"Announcement"	the announcement of the Company dated 25 July 2025 in relation to, among other things, (1) issue of new shares under specific mandate; and (2) connected transactions
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Business Day(s)"	any day on which the Stock Exchange is open for the business of dealing in securities
"Company"	Tesson Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1201)
"Completion"	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreements
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Double Key"	Double Key International Limited, a company incorporated in the British Virgin Islands with limited liability, our controlling shareholder, and a Subscriber under the Subscription Agreement A
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	the independent committee of the Board comprising all the independent non-executive Directors, namely Dr. Ng Ka Wing, Mr. See Tak Wah and Mr. Wang Jinlin, established to advise the Independent Shareholders on the Subscription

"Independent Financial Adviser"	SBI China Capital Hong Kong Securities Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company with the approval of the Independent Board Committee for the purpose of advising the Independent Board Committee and the Independent Shareholders on the Subscription
"Independent Shareholders"	the shareholders other than the connected person(s) who is/are interested in the relevant transactions
"Independent Third Party(ies)"	third party independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in The Hong Kong Code on Takeovers and Mergers and Share Buy-backs) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules)
"Last Trading Day"	24 July 2025, being the last full trading day of Shares immediately prior to the entering into of the Subscription Agreements
"Latest Practicable Date"	22 September 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Listing Committee"	the listing committee of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this circular
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented of otherwise modified from time to time
"SGM"	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Subscription Agreements and the transactions contemplated thereunder by the Independent Shareholders

"Share(s)"	ordinary share(s) with a nominal value of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of the Share(s)
"Specific Mandate"	the specific mandate to be granted by the Independent Shareholders at the SGM to allot and issue the Subscription Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscriber(s)"	Double Key, Mr. Wei Mingren and/or Mr. Li Yuqi
"Subscription"	the subscription of the Subscription Shares by the Subscribers under the Subscription Agreements
"Subscription Agreement A"	the subscription agreement dated 25 July 2025 entered into between the Company and Double Key for the subscription of the Subscription Shares
"Subscription Agreement B"	the subscription agreement dated 25 July 2025 entered into between the Company and Mr. Wei Mingren for the subscription of the Subscription Shares
"Subscription Agreement C"	the subscription agreement dated 25 July 2025 entered into between the Company and Mr. Li Yuqi for the subscription of the Subscription Shares
"Subscription Agreements"	Subscription Agreement A, Subscription Agreement B and Subscription Agreement C
"Subscription Price"	HK$0.5 per Subscription Share
"Subscription Share(s)"	an aggregate of 100,000,000 Shares to be subscribed by the Subscribers under the Subscription Agreements, and "Subscription Share" shall refer to any of them
"%"	per cent

TESSON HOLDINGS LIMITED
天臣控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 1201)

Executive Directors:
Mr. Wei Qingwen
Mr. Wei Mingren *(Chairman)*
Mr. Chan Wei
Ms. Yu Xiaolei

Independent Non-executive Directors:
Dr. Ng Ka Wing
Mr. See Tak Wah
Mr. Wang Jinlin

Registered Address:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal Place of Business in Hong Kong:
Room 401A, Empire Centre
68 Mody Road
Tsim Sha Tsui
Kowloon
Hong Kong

26 September 2025

To the Independent Shareholders

Dear Sir or Madam,

(1) ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE; (2) CONNECTED TRANSACTIONS; AND (3) NOTICE OF SGM

INTRODUCTION

Reference is made to the Announcement.

On 25 July 2025, the Company entered into three separate Subscription Agreements with the respective Subscribers, pursuant to which the Subscribers conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, an aggregate of 100,000,000 Subscription Shares at the Subscription Price of HK$0.5 per Subscription Share.

The gross proceeds from the Subscription amount to HK$50 million. The net proceeds of the Subscription, after deduction of all relevant expenses, are estimated to be approximately HK$49.6 million, representing a net price of approximately HK$0.5 per Subscription Share.

The purpose of this circular is to provide you with, among others, (i) details of the Subscription; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Subscription; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscription; and (iv) other information as required under the Listing Rules, together with a notice convening the SGM for the purpose of considering, and if though fit, approving the resolutions to be proposed.

SUBSCRIPTION AGREEMENTS

Save for the identity of the Subscribers, and the number of Subscription Shares to be allotted and issued, the terms of all three Subscription Agreements are substantially the same and a summary of which is set out as follows:

Date

25 July 2025 (after trading hours)

Parties

Subscription Agreement A

(i) the Company (as issuer); and

(ii) Double Key (as subscriber)

Subscription Agreement B

(i) the Company (as issuer); and

(ii) Mr. Wei Mingren (as subscriber)

Subscription Agreement C

(i) the Company (as issuer); and

(ii) Mr. Li Yuqi (as subscriber)

Each of Double Key and Mr. Wei Mingren is a connected person of the Company, whose details are set out under the section headed "Information on the Subscribers" below.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Mr. Li Yuqi is an Independent Third Party.

Number of Subscription Shares subscribed by the Subscribers

Subscription Agreement A

75,000,000 Subscription Shares, represent approximately 34.14% of the existing issued share capital of the Company as at the Latest Practicable Date; and approximately 23.46% of the issued share capital of the Company as enlarged by the allotment and issue of all Subscription Shares under the three Subscription Agreements (assuming that there are no other changes in the share capital of the Company between the Latest Practicable Date and the date of the Completion).

Subscription Agreement B

13,000,000 Subscription Shares, represent approximately 5.92% of the existing issued share capital of the Company as at the Latest Practicable Date; and approximately 4.07% of the issued share capital of the Company as enlarged by the allotment and issue of all Subscription Shares under the three Subscription Agreements (assuming that there are no other changes in the share capital of the Company between the Latest Practicable Date and the date of the Completion).

Subscription Agreement C

12,000,000 Subscription Shares, represent approximately 5.46% of the existing issued share capital of the Company as at the Latest Practicable Date; and approximately 3.75% of the issued share capital of the Company as enlarged by the allotment and issue of all Subscription Shares under the three Subscription Agreements (assuming that there are no other changes in the share capital of the Company between the Latest Practicable Date and the date of the Completion).

Total Subscription Shares under the three Subscription Agreements being 100,000,000 Subscription Shares represent approximately 45.52% of the existing issued share capital of the Company as at the Latest Practicable Date; and approximately 31.28% of the issued share capital of the Company as enlarged by the allotment and issue of all Subscription Shares (assuming that there are no other changes in the share capital of the Company between the Latest Practicable Date and the date of the Completion).

SUBSCRIPTION PRICE

The Subscription Price is the same for all three Subscription Agreements. The Subscription Price of HK$0.5 per Subscription Share represents:

(i) a discount of approximately 43.18% to the closing price of HK$0.88 as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 16.67% to the closing price of HK$0.60 as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 19.87% to the average closing price of HK$0.624 as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day;

(iv) a discount of approximately 2.72% to the net asset value per Share of approximately HK$0.5139 as at 31 December 2024 calculated based on the audited consolidated net assets of the Group as at 31 December 2024 of approximately HK$112.9 million as shown in the 2024 Annual Report and 219,685,228 Shares in issue as at 31 December 2024; and

(v) a premium of approximately 30.60% to the net asset value per Share of approximately HK$0.3828 as at 30 June 2025 calculated based on the unaudited consolidated net assets of the Group as at 30 June 2025 of approximately HK$84.1 million as shown in the 2025 interim results announcement and 219,685,228 Shares in issue as at 30 June 2025.

The theoretical dilution effect of the Subscription is approximately 6.22%, represented by the theoretical diluted price of approximately HK$0.5852 per Share to the benchmarked price of approximately HK$0.6240 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK$0.60 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days prior to the Last Trading Day of HK$0.6240 per Share).

The Subscription Price of HK$0.5 for the Subscription was arrived at after arm's length negotiations between the Company and the Subscribers with reference to the recent market prices of the Shares, current market conditions and the funding needs as disclosed under the section headed "Reasons for the Subscription and Use of Proceeds".

In determining the Subscription Price and number of Subscription Shares, the Board has considered the following factors:

(i) The share price of the Company exhibited a generally downward trend since October 2024. In the preceding three months immediately prior to the date of the Subscription Agreement, the share price of the Company varied between HK$0.45 and HK$0.75, while the trading volume of the Shares maintained at a very low level. The Subscription Price is within this range, and represented a discount of approximately 16.67% to the closing price on the Last Trading Day, and approximately 19.87% discount to the average closing price of the Shares over the five consecutive trading days immediately prior to the Last Trading Day.

(ii) As set out in the announcement of the Company dated 18 July 2025 regarding the litigation initiated by a lender against the Company and its controlling shareholder, the Company is seeking legal advice and intends to negotiate with the lender for other feasible solutions. The Company plans to utilise a portion of the proceeds from Subscription to settle part of the outstanding principal. Further, as set out in the announcement dated 28 July 2025, the Group is considering a new project on charging stations for new energy heavy-duty trucks in the PRC with initial investment amount of approximately RMB19.8 million. The Board takes the view that the Subscription Price enables the Group to obtain adequate funding to meet the aforesaid purposes.

The aggregate nominal value of all Subscription Shares is HK$10,000,000.

RANKING OF THE SUBSCRIPTION SHARES

The Subscription Shares will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Subscription Shares.

CONDITIONS PRECEDENT

The Completion under each of the Subscription Agreements is conditional upon the fulfillment or waiver (as the case may be) of the following conditions precedent:

(i) the Listing Committee having granted the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange;

(ii) the passing of all necessary resolutions to be proposed at the SGM for approving the respective Subscription, the respective Subscription Agreement and the respective transactions contemplated thereunder; and

(iii) the representations and warranties of the Company under the respective Subscription Agreement being true, accurate and not misleading in all material respects as at the date of the respective Subscription Agreement and the date of the Completion.

For avoidance of doubt, conditions (i) and (ii) cannot be waived, and the Subscription Agreements are not inter-conditional among each other. As at the Latest Practicable Date, conditions (i) and (ii) remain unfulfilled. The Subscription is not subject to any long stop date. If any of the conditions precedent are not fulfilled or waived, the obligations and liabilities of the Company under the Subscription shall be null and void and Company shall be released from all rights and obligations pursuant to the Subscription save for any antecedent breach thereof. Once conditions (i) and (ii) are fulfilled; and the representations and warranties of the Company under the respective Subscription Agreement remain true, accurate and not misleading in all material respects as at the date of the Completion, the Company expects that Completion will take place on the second Business Day after conditions (i) and (ii) are fulfilled.

COMPLETION

Completion of the Subscription is expected to take place on the second Business Day after all the conditions precedent set out in the section headed "Conditions Precedent" having been fulfilled or waived (as the case may be) (or such later date or time as the parties to the Subscription Agreement may agree in writing).

Mandate to issue the Subscription Shares

The issue of the Subscription Shares will be made pursuant to the Specific Mandate to be sought from the Independent Shareholders at the SGM.

Application for Listing

An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

EFFECTS ON SHAREHOLDING STRUCTURE

The following is a table illustrating the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after Completion, assuming that there will be no change in the number of Shares in issue (other than the issue of all Subscription Shares pursuant to the three Subscription Agreements) between the Latest Practicable Date and the date of Completion:

	As at the Latest Practicable Date		**Immediately after Completion**	
	Number of Shares	*Approx. %*	*Number of Shares*	*Approx. %*
Shareholders				
Double Key	135,781,543	61.81	210,781,543	65.93
Mr. Li Yuwei	19,499,700	8.88	19,499,700	6.10
Mr. Wei Mingren	–	–	13,000,000	4.07
Mr. Li Yuqi	–	–	12,000,000	3.75
Other public shareholders	64,403,985	29.31	64,403,985	20.15
Total	219,685,228	100.00	319,685,228	100.00

INFORMATION ON THE GROUP

The Group is principally engaged in the manufacturing and sale of lithium ion motive battery, lithium ion battery module, battery charging devices, battery materials machines and production lines, new energy solution and sale of relevant equipment, investments holding and import and export trading.

INFORMATION ON THE SUBSCRIBERS

Double Key is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the Latest Practicable Date, Double Key is wholly-owned by Ms. Cheng Hung Mui, a former executive Director, who resigned on 20 October 2024. Ms. Cheng Hung Mui is the spouse of Mr. Wei Qingwen, an executive Director. Ms. Cheng Hung Mui and Mr. Wei Mingren are the directors of Double Key.

As at the Latest Practicable Date, Double Key is interested in approximately 61.81% of the entire issued share capital of the Company, and is our controlling shareholder.

Mr. Wei Mingren is the Chairman of the Board and an executive Director. He is the nephew of Mr. Wei Qingwen.

Mr. Li Yuqi is a PRC citizen, and cousin of Mr. Li Yuwei, one of our shareholders who hold approximately 8.88% of the existing issued share capital of the Company as at the Latest Practicable Date. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Mr. Li Yuqi is an Independent Third Party as at the Latest Practicable Date.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

Assuming that all the Subscription Shares are fully subscribed, the gross proceeds from the Subscription amount to HK$50 million. The net proceeds of the Subscription, after deduction of all relevant expenses, are estimated to be approximately HK$49.6 million, representing a net price of approximately HK$0.5 per Subscription Share.

The Company intends to apply approximately 40% of the net proceeds from the Subscription to repay outstanding loans, approximately 40% of the net proceeds from the Subscription to explore new opportunities to further develop the Group's business, and the remaining 20% as general working capital to support the Group's operation for approximately three months for both Hong Kong head office and the production bases in China as detailed below.

Details of the expected use of net proceeds is as follows:

		% to net proceeds	approximate HK$	Expected settlement time/ utilisation period
(i)	Repayment of loan: Other borrowings from Hai Xia Finance Holdings Limited with outstanding principal amount of approximately HK$23.0 million as at 30 June 2025 as shown in the unaudited management accounts[Note]	40%	19,840,000	Within one month upon Completion
(ii)	Exploring business new opportunities: potential investment regarding the establishment and operation of charging stations for new energy heavy-duty trucks in the PRC which requires an initial investment of approximately RMB19.8 million (approximately HK$21.7 million), representing 66% equity interest of the proposed joint venture company with registered capital of RMB30 million.	40%	19,840,000	Within the period specified in the joint venture agreement being drafted, which is expected to be within 6 months after the proposed joint venture company is formed
(iii)	general working capital to support the Group's operation	20%	9,920,000	Around 3 months upon receiving the net proceeds
			49,600,000	

Note: Based on the Company's records and calculation, the principal owed to Hai Xia Finance Holdings Limited as at 30 June 2025 was approximately HK$23.0 million, and the accrued yet unpaid interest amounted to approximately HK$32.4 million. As disclosed in the announcement of the Company dated 18 July 2025, Hai Xia Finance Holdings Limited filed a claim against the Company alleging that outstanding principal was HK$65,655,179.30 and accrued contractual interest was HK$460,485.64. The Company disagrees with the claim and is seeking legal advice in respect of the above proceeding and intends to defend its position.

Details of the expected use of general working capital is as follows:

	HK$'000
Salaries for staff and the Directors	6,431
Public utilities and cost of steam	802
Rental expenses	482
Other operating expenses	2,205
	9,920

As disclosed in the annual report of the Company for the year ended 31 December 2024, as at 31 December 2024, the Group had net current liabilities of approximately HK$34,904,000. The Subscription will enable the Company to reduce the indebtedness, strengthen the financial position of the Company, and provide additional funding for developing the Group's business.

As at 30 June 2025, bank and cash balances of the Group is at a relatively low level at approximately HK$1.2 million as reflected in the unaudited management accounts, considering the funding requirement for general working capital of the Group, repayment of outstanding borrowing as detailed in the announcement dated 18 July 2025, and potential investment opportunity as detailed below and as reference to the announcement dated 28 July 2025, the Board considers the Company is in imminent need to strengthen its financial position.

A framework agreement is signed on 28 July 2025 with the contract party, who will hold 34% equity interest of the proposed joint venture company. The Group and the contract party are in the progress of finalising the terms and conditions in the joint venture agreement, in the event that the agreement is entered into, the transaction may constitute a disclosable transaction for the Company under Chapter 14 of the Listing Rules, further announcement will be made to disclose the details of the joint venture agreement.

The business model and operation of the joint venture are currently under negotiation; and the joint venture is expected to start operation in early 2026. The Group is expected to be responsible for the overall coordination and implementation of the project, and the joint venture partner responsible for coordinating with the power grid company regarding power supply and operational services to ensure power supply and normal operations in the project area. The management of the Group is of the view that the project is complementary with the Group's existing lithium ion motive battery business which the Board is knowledgeable about its business environment and industrial practice. Depending on the development of the joint venture, the Group may expand its management and technical team with expertise in the operation of charging stations.

The Group continues to seek opportunities to expand its business in the new energy sector, which led to the signing of the framework agreement. The Company estimates that the normal construction period for a charging station for new energy heavy duty truck is approximately 90-120 days, depending on its scale. The Group intends to start the preparation of this new business as soon as possible. The management is in the progress of searching suitable location and had shortlisted some of the possible locations. The construction of charging station and the leasing of land require registration with the relevant government authorities but no government approval is required. The management is of the view that the leasing of land and registration with relevant government authorities would not have a material impact on the construction period, and is aiming to generate a new revenue stream for the Group by early 2026. The new business is expected to improve the Group's financial performance in the long run. On this basis and taking into account the Group's persistent weak financial performance as well as reduction in sales, the Directors take the view that the Group has an imminent need to proceed with the Subscription in order to fund its portion of capital contribution to the initial registered capital of the joint venture for the project. It is currently expected that the joint venture will initially involve construction of one charging station with 70 electric vehicles ("**EV**") chargers, which will incur rental of land and land leveling and paving costs; and construction cost for EV chargers and other affiliating facilities. Based on the Company's preliminary estimation, the total cost for constructing one charging station would be around RMB17.0 million, depending on the final scale of the charging station; and such costs is expected to be funded by the registered capital of the joint venture; and the capital requirement for any expansion is expected to be funded by the Group's internal resources and/or external financing (as appropriate).

The estimated cost of RMB17.0 million includes first year rental of land and land leveling and paving costs of approximately RMB5 million; construction cost for new energy vehicles chargers and other affiliating facilities of approximately RMB12 million based on preliminary enquiry made by the management.

Currently the Group has no plan to downsize and/or cease its lithium ion motive battery business, and the Group will continue to participate in the sector and step forward to other new energy related products and/or business. In the first half of 2025, the US-China trade war escalated, export volume of the manufacturers in the PRC, including the customers of the Group, dropped significantly. As a consequence of the reduction in their production scale, purchase for the Group's battery products dropped. Sales volume and sales revenue of the Group dropped significantly in the first half of 2025. This alerts the management that new line of business or products is essential to complement the Group's operation for any unforeseen market change and political influence. The management is of the view that the new business of operating charging station is a way to diversify the Group's existing business portfolio and further penetrate into the new energy sector, and is of the interests of the Group and its shareholders.

If the framework agreement does not materialize, such portion of the net proceeds from the Subscription is expected to be used as the Group's working capital, such as the repayment of its trade and other payables.

The Company had considered other fundraising activities including debt financing and other equity financing methods such as rights issue and open offer. Debt financing requires longer time to match appropriate lender, followed by lengthy negotiation on terms and conditions, and due diligence works, as well as extra interest burden to the Group. For rights issue and open offer, the Board expects they will require a longer time to complete than the Subscription, and the cost for these actions, such as professional cost including costs for engaging reporting accountants, financial advisers and/or brokerage agent, are generally higher than the cost for share subscription. While rights issue, open offer and share subscription under specific mandate all require the issuance of circular and holding of a general meeting, the former two corporate actions also require (i) the issuance of prospectus which contains comprehensive financial information and unaudited pro forma financial information of the Group which requires at least 10 working days to prepare; (ii) the engagement to the reporting accountants to prepare certain financial information, financial advisors to advice on the transactions, and brokerage agents to procure to independent subscribers to subscribe the shares; and (iii) a 10 days offer-period as stated in the Listing Rules, therefore longer time and more resources is expected to be placed comparing to share subscription under specific mandate. In view of current unclear market conditions, the amount of funds that can be raised by way of rights issue and open offer is uncertain, a higher discount may also be set in order to attract Shareholders and the potential investors. Considering current financial position of the Group and the tight schedule for fund needs to fulfil the abovementioned purpose, the Board considers subscription of shares is of the best interest to the Group and its Shareholders.

The Board had made reference to the range of historical share price of the Company from July 2024 to June 2025, which is between HK$0.45 to HK$2.9, and presented a downward trend in late 2024 which the Board is not aware of any reason for the downward trend other than those disclosed in the announcements of the Company during the period. Regarding the market performance of the Shares in the first half of July 2025, the trading volume is insignificant and started to be more active since mid-July 2025, but still represented less than 1% of the Group's issued share capital. Besides, the overall stock market performance in Hong Kong was strong in July 2025 with Hand Seng Index rose to over 25,000 on few days before the date of the Subscription Agreements, its highest point in the recent 3.5 years. The Board had referenced to the share performance in July 2025 but cannot deny the possibility that the fluctuation was a short term impact on the overall robust stock market performance during the period which may not demonstrate the true value of the Shares, and thus Shares performance in July 2025 shall not be the main focus. The Subscription Price at the end falls between the share price for the most recent three months prior to the date of the Subscription Agreements which is within HK$0.45 and HK$0.75.

The Board had also noted that liquidity on the average daily trading volume of the Shares for last year is low and sometimes no transaction was made within the day. Having considered the downward trend of the share price and low liquidity on the Company's shares, the Board considers setting the Subscription Price at a discount to recent market price is reasonable to the Subscribers. Referencing to other share subscription activities in the market from April 2025 to June 2025, the subscription price generally showed a discount of 10% to 30%, the Board is of the view that the Subscription Price, which at the end shows a discount of 16.67% to the closing price of the Shares on the Last Trading Day and 19.87% to the average closing price of the Shares for the five consecutive trading days immediately preceding the date of the Subscription Agreements, is reasonable and in line with market practice.

Considering low trading volume of the Shares is noted therefore a discount on the subscription price is expected to attract the subscribers, the Subscription Price falls within the range of the share price preceding three months immediately prior to the date of the Subscription Agreement, and the discount is within the range of other share subscription activities in the market, the Board considered the Subscription is on normal commercial terms, fair and reasonable.

The Directors (including the members of the Independent Board Committee whose view is set forth in "Letter from the Independent Board Committee" of this circular after having been advised by the Independent Financial Adviser in this regard) considers the terms of the Subscription Agreements to be normal commercial terms and the Subscription is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In assessing whether the Subscription Price is on normal commercial terms, fair and reasonable, the Board has considered the following factors:

(i) The Subscription Price represented a discount of approximately 16.67% to the closing price on the Last Trading Day, and approximately 19.87% discount to the average closing price of the Shares over the five consecutive trading days immediately prior to the Last Trading Day. The discount offered to the Subscribers is in line with market practice. Based on the analysis of the Independent Financial Adviser as disclosed in its letter included in this Circular, the Subscription Price is within the respective closing price range of the Comparable Transactions (as defined in the letter of the Independent Financial Adviser).

(ii) The net asset value per Share amounted to approximately HK$0.514 as at 31 December 2024, which is close to the Subscription Price.

(iii) The theoretical dilution effect of the Subscription is approximately 6.22%, which is below the 25% threshold as specified under Rule 7.27B of the Listing Rules. While recognising the dilutive effect of the Subscription, the Board believes that the capital raised will be instrumental in funding the new charging station project and lower the gear ratio of the Group, and expects the proceeds from Subscription will contribute to the long-term growth and financial stability of the Group.

Mr. Wei Qingwen was absent in the relevant Board meeting (and has not been counted in the quorum for) the relevant Board resolutions for approving all three Subscription Agreements. He was required to abstain from voting for approving Subscription Agreement A and the transactions contemplated thereunder by virtue of his interests in Subscription Agreement A.

Mr. Wei Mingren has abstained from voting on (and has not been counted in the quorum for) the relevant Board resolutions for approving Subscription Agreement A and Subscription Agreement B and the transactions contemplated thereunder by virtue of his interests in Subscription Agreement A and Subscription Agreement B.

Save as disclosed above, none of the other Directors is regarded as having a material interest in, and therefore none of them is required to abstain from voting on, the relevant Board resolutions for approving the Subscription Agreements and the transactions contemplated thereunder.

EQUITY FUNDRAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Save as the disclosed below, the Company has not conducted any fund-raising activities in the past twelve months immediately preceding the Latest Practicable Date:

Date of announcements	Description of fund-raising activity	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
20 and 26 September 2024	Subscription of new shares under general mandate	HK$11.7 million	The net proceeds were intended to be applied for supporting the Group's operation for approximately four months for both Hong Kong head office and the production bases in China, the details of which are set out in the announcement of the Company dated 26 September 2024.	The net proceeds of HK$11.7 million have been fully utilised as at 28 March 2025 in the manner as set out in the announcement of the Company dated 26 September 2024.

LISTING RULES IMPLICATIONS

Two of the three Subscribers (Double Key and Mr. Wei Mingren) are connected persons of the Company under Chapter 14A of the Listing Rules. As such, the Subscription by each of Double Key and Mr. Wei Mingren constitutes a connected transaction for the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Li Yuqi, the remaining Subscriber, is an Independent Third Party. As the Subscription Shares to be subscribed by Mr. Li Yuqi will be allotted and issued under the Specific Mandate, the Subscription by Mr. Li Yuqi is also subject to Shareholders' approval under Chapter 13 of the Listing Rules. Although the Subscription by Mr. Li Yuqi is not a connected transaction, as it is conducted together with the aforesaid connected transactions, the Company takes the view that the Subscription by Mr. Li Yuqi shall also be subject to the same reporting, announcement and Independent Shareholders' approval requirements.

Double Key is interested in 135,781,543 Shares, representing approximately 61.81% of the entire issued share capital of the Company as at the Latest Practicable Date and is required to abstain from voting in respect of the relevant resolution to approve Subscription Agreement A and the transactions thereunder at the SGM. Although Double Key is not interested in Subscription Agreement B and Subscription Agreement C, as the Subscription under the three Subscription Agreements are conducted together, the Company takes the view that Double Key shall abstain from voting in all resolutions in relation to all three Subscription Agreements.

Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Shareholder will be required to abstain from voting on the relevant resolution(s) to approve the Subscription Agreements and the transactions thereunder at the SGM.

It was mistakenly stated in the Announcement that the Subscription, together with the previous fundraising in September 2024, will result in a theoretical dilution effect of approximately 6.36%, which is below the 25% threshold as specified under Rule 7.27B of the Listing Rules. The Company wishes to clarify that the previous fundraising in September 2024 was not a fundraising activity referred to in Rule 7.27B of the Listing Rules. For the purpose of computing the theoretical dilution effect, only the Subscription has to be taken into account. As disclosed in the section headed "Subscription Price" above, the theoretical dilution effect of the Subscription is approximately 6.22%, which is below the 25% threshold as specified under Rule 7.27B of the Listing Rules. Therefore, the theoretical dilution impact of the Subscription is in compliance with Rule 7.27B of the Listing Rules.

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14A.70(13) and paragraph 43(2)(c) of Appendix D1B to the Listing Rules so as to enable the address of Mr. Wei Mingren and Mr. Li Yuqi in Subscription Agreement B and Subscription Agreement C (the "**Redacted Information**") be redacted from the version that will be published on the websites of the Stock Exchange and the Company as documents on display.

The Company has applied for the waiver on the grounds that, the Redacted Information provided for the purpose of the Subscription in the respective Subscription Agreement is personal data of the relevant individuals, the disclosure of the Redacted Information might constitute a breach of the Personal Data (Privacy) Ordinance (Chapter 486 of the laws of Hong Kong). The Redacted Information is of minor importance and would neither influence the Independent Shareholders' assessment of the Group and the impact of the subject transaction, nor impose any undue risk or detriment on the Independent Shareholders or the investing public. The Company is of the view that the waiver applied for is consistent with regulatory intent. Redaction of the said addresses is a measured and reasonable measure that upholds shareholder protection while allowing the Company to comply with both the Listing Rules and Hong Kong privacy laws.

The Stock Exchange has approved the waiver from strict compliance with Rule 14A.70(13) and paragraph 43(2)(c) of Appendix D1B to the Listing Rules, so that only the redacted version of the respective Subscription Agreement will be available for documents on display.

THE SGM

The SGM will be convened and held at Picasso Room B, B1 Level, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Monday, 20 October 2025 at 11 a.m. for the Independent Shareholders to consider and, if thought fit, pass the ordinary resolutions approving the Subscription Agreements and the transactions contemplated thereunder.

The notice of the SGM is set out on pages SGM-1 to SGM-2 of this circular.

A form of proxy for use at the SGM is enclosed with this circular. If you are a Shareholder and are not able to attend the SGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and any power of attorney or other authority (if any) under which it is signed, or a certified copy of that power of attorney, to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the SGM. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the SGM, or any adjournment thereof, should they so wish and in such event the form of proxy shall be deemed to be revoked.

CLOSURE OF THE REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from 15 October 2025 to 20 October 2025, both days inclusive, during which period no share transfers can be registered. In order to be eligible to attend and vote at the SGM, unregistered holders of Shares should ensure that

all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 14 October 2025.

RECOMMENDATIONS

Your attention is drawn to the letter from the Independent Board Committee set out on pages IBC-1 to IBC-2 of this circular which contains its recommendation to the Independent Shareholders as to voting at the SGM regarding the Subscription. The Independent Board Committee comprised all the independent non-executive Directors, namely Dr. Ng Ka Wing, Mr. See Tak Wah and Mr. Wang Jinlin, who have not been involved or interested in, directly or indirectly, the Subscription.

Your attention is also drawn to the letter from the Independent Financial Adviser set out on pages IFA-1 to IFA-30 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders regarding the Subscription, and the principal factors and reasons taken into consideration in arriving at its advice.

Your attention is also drawn to the Appendix to this circular.

The Directors (including the members of the Independent Board Committee whose opinion have been set forth in the "Letter from the Independent Board Committee" of this circular after having been advised by the Independent Financial Adviser in this regard) consider that the terms of the Subscription are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the members of the Independent Board Committee whose opinion have been set forth in the "Letter from the Independent Board Committee" of this circular after having been advised by the Independent Financial Adviser in this regard) recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Subscription. You are advised to read the letter from the Independent Board Committee and the letter from the Independent Financial Adviser mentioned above before deciding how to vote on the resolution to be proposed at the SGM.

WARNING

As the Subscription is subject to the fulfillment of the conditions set out in the respective Subscription Agreements and may or may not proceed, Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company, and should consult their stockbroker, bank manager, solicitor or other professional adviser if they are in any doubt about their position or as to actions they should take.

Yours faithfully,
By order of the Board
Tesson Holdings Limited
Wei Mingren
Chairman

The following is the text of the letter of recommendation from the Independent Board Committee to the Independent Shareholders regarding the Subscription, which has been prepared for the purpose of inclusion in this circular.

TESSON HOLDINGS LIMITED
天臣控股有限公司
(Incorporated in Bermuda with limited liability)
(Stock code: 1201)

To the Independent Shareholders

Dear Sir or Madam,

(1) ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE; AND (2) CONNECTED TRANSACTIONS

We refer to the circular dated 26 September 2025 (the "**Circular**") issued by the Company to the Shareholders of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as defined in the Circular.

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders as to whether the terms of the Subscription Agreements and the transactions contemplated thereunder are fair and reasonable, and whether the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the SGM, after taking into account the recommendations of the Independent Financial Adviser.

SBI China Capital Hong Kong Securities Limited has been appointed by the Board as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Subscription Agreements and the transactions contemplated thereunder. Details of the advice from the Independent Financial Adviser, together with the reasons for its opinion, the key assumptions made and the principal factors taken into consideration in arriving at such advice, are set out in its letter on pages IFA-1 to IFA-30 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 4 to 18 of the Circular and the additional information set out in the appendix to the Circular.

Having considered the information as set out in the letter from the Board, the terms of the Subscription Agreements and the transactions contemplated thereunder, the factors and reasons considered by, and the opinion of the Independent Financial Adviser as set out in its letter of advice, we are of the view that, notwithstanding that the entering into of the Subscription Agreements is not in the ordinary and usual course of business of the Company, the terms of the Subscription Agreements and the transactions contemplated thereunder are fair and reasonable, and the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution in relation to the Subscription Agreements and the transactions contemplated thereunder to be proposed at the SGM.

Yours faithfully
For and on behalf of the Independent Board Committee of
Tesson Holdings Limited

Dr. Ng Ka Wing	**Mr. See Tak Wah**	**Mr. Wang Jinlin**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

Set out below is the full text of a letter of advice from SBI China Capital Hong Kong Securities Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for inclusion in this circular.

軟庫中華 SBI China

26 September 2025

To: The Independent Board Committee and the Independent Shareholders of Tesson Holdings Limited

Dear Sir or Madam,

(1) ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE; AND (2) CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Subscription, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company to the Shareholders dated 26 September 2025 (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 25 July 2025, the Company announced the entering into three separate Subscription Agreements with the respective Subscribers, pursuant to which the Subscribers conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, an aggregate of 100,000,000 Subscription Shares at the Subscription Price of HK$0.5 per Subscription Share. Two of the three Subscribers (Double Key and Mr. Wei Mingren) are connected persons of the Company under Chapter 14A of the Listing Rules. As such, the Subscription by each of Double Key and Mr. Wei Mingren constitutes a connected transaction for the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Li Yuqi, the remaining Subscriber, is an Independent Third Party. As the Subscription Shares to be subscribed by Mr. Li Yuqi will be allotted and issued under the Specific Mandate, the Subscription by Mr. Li Yuqi is also subject to Independent Shareholders' approval under Chapter 13 of the Listing Rules.

The Subscription will result in a theoretical dilution effect of approximately 6.22%, which is below the 25% threshold as specified under Rule 7.27B of the Listing Rules. Therefore, the theoretical dilution impact of the Subscription is in compliance with Rule 7.27B of the Listing Rules.

An Independence Board Committee, comprising all the independent non-executive Directors, namely Dr. Ng Ka Wing, Mr. See Tak Wah and Mr. Wang Jinlin, has been formed to advise the Independent Shareholders as to (i) whether the terms of the Subscription Agreements are normal commercial terms and the Subscription is fair and reasonable so far as the Independent Shareholders are concerned; and whether the Subscription is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole; and (ii) how the Independent Shareholders should vote in respect of the resolution(s) relating to the Subscription Agreements and the transactions contemplated thereunder at the SGM.

In our capacity as the independent financial adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion as to (i) whether the terms of the Subscription Agreements are normal commercial terms and the Subscription is fair and reasonable so far as the Independent Shareholders are concerned; and whether the Subscription is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole; and (ii) how the Independent Shareholders should vote in respect of the resolution(s) relating to the Subscription Agreements and the transactions contemplated thereunder at the SGM. Our appointment as the independent financial adviser to advise the Independent Board Committee in respect of the Subscription has been approved by the Independent Board Committee.

As at the Latest Practicable Date, we are independent from and not connected with the Company or any relevant parties in connection with the Subscription Agreements. During the past two years, save for our appointment as the independent financial adviser for the rights issue on a non-underwritten basis (the "**2023 Rights Issue**"), the circular of which was dated 24 August 2023, there was no engagement between the Company and us. Apart from normal professional fees payable to us in connection with this engagement and the 2023 Rights Issue, no arrangement exists whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent from the Company pursuant to Rule 13.84 of the Listing Rules.

In formulating our opinion, we have relied on the information and facts supplied and opinions expressed by the management of the Group. We have assumed that all information and representations provided by the management of the Group, for which they are solely responsible, were true and accurate at the time they were prepared or made and will continue to be so up to the Latest Practicable Date. Should there be any subsequent material changes which occurred during the period from the date of the Circular up to the date of the SGM and would affect or alter our opinion, we will notify the Independent Board Committee and the Independent Shareholders as soon as possible. We have no reason to doubt the truth, accuracy or completeness of the information and representations made to us by the management of the Group. We have been advised that no material facts have been omitted from the information supplied and opinions expressed. As such, we have no reason to suspect that any relevant information has been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided by the management of the Group to us, nor are we aware of any facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading.

We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our opinion. The scope of documents reviewed by us included the Circular, the 2023 Annual Report (as defined below), the 2024 Annual Report (as defined below), the 2025 Interim Results Announcement (as defined below) with breakdown on costs and expenses provided by the Company, the Company's announcement dated 28 July 2025 in relation to the entering into the Framework Agreement (as defined below), the feasibility study report dated 26 July 2025 prepared by the Company on the Project (as defined below). We have not, however, conducted any independent investigation into the business and affairs or the future prospects of the Group, nor have we carried out any independent verification of the information provided by the management of the Group.

All Directors jointly and severally accept full responsibility for the accuracy of information contained in the Circular and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion on the Subscription, we have taken into consideration the following principal factors and reasons:

(1) Background information of the Company

As mentioned in the Letter from the Board, the Group is principally engaged in the manufacturing and sale of lithium ion motive battery, lithium ion battery module, battery charging devices, battery materials machines and production lines, new energy solution and sale of relevant equipment, investments holding and import and export trading.

Financial performance

The following table summarises the financial performance of the Group for each of the three years ended 31 December 2024 as extracted from the annual report of the Company for the year ended 31 December 2023 ("**2023 Annual Report**"), the annual report of the Company for the year ended 31 December 2024 ("**2024 Annual Report**") and the interim results announcement of the Company for the six months ended 30 June 2025 ("**2025 Interim Results Announcement**"), respectively.

	For the six months ended 30 June		For the year ended 31 December		
	2025	**2024**	**2024**	**2023**	**2022**
	(unaudited)	*(unaudited)*	*(audited)*	*(audited)*	*(audited)*
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	15,852	36,476	66,713	129,159	94,399
Cost of sales	(15,650)	(35,885)	(66,345)	(126,967)	(86,383)
Gross profit	202	591	368	2,192	8,016
Loss for the period/year from continuing operation	(33,650)	(97,962)	(163,587)	(101,013)	(124,681)
Loss for the period/year from discontinued operation	–	–	–	–	(103,334)
Loss for the period/year	(33,650)	(97,962)	(163,587)	(101,013)	(228,015)
Loss for the period/year attributable to owners of the Company	(23,326)	(83,726)	(142,893)	(89,726)	(196,061)
Segment revenue					
Lithium ion motive battery products	15,852	36,476	66,713	129,159	93,791
Internet sales	–	–	–	–	608
Property development and cultural service *(Note)*	–	–	–	–	7,809

	For the six months ended 30 June		For the year ended 31 December		
	2025	2024	2024	2023	2022
	(unaudited)	*(unaudited)*	*(audited)*	*(audited)*	*(audited)*
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment results					
Lithium ion motive battery products	(26,816)	(89,141)	(139,868)	(71,486)	(93,331)
Internet sales	–	(258)	(2,238)	(7,601)	(3,462)
Property development and cultural service *(Note)*	–	–	–	–	(103,334)

Note: Having considered the tightening of the monitoring policy on property developer imposed by the government, coupled with the downturn in the property market of the PRC, the Group had discontinued its business segment of property development and cultural service during the year ended 31 December 2022.

Material uncertainty related to going concern

As mentioned in the 2024 Annual Report, the Group incurred a loss of approximately HK$163.6 million and operating cash outflow of approximately HK$38.0 million for the year ended 31 December 2024 and as at 31 December 2024, and the Group had net current liabilities of approximately HK$34.9 million. These conditions indicate a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Auditors' opinion is not modified in respect of this matter.

Double Key, the controlling shareholder of the Company, has agreed to provide adequate funds for the Group to meet its liabilities as they fall due. The Directors are therefore of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

(a) For the six months ended 30 June 2025

As set out in the 2025 Interim Results Announcement, the Group recorded revenue of approximately HK$15.9 million for the six months ended 30 June 2025, representing a decrease of approximately 56.5% or HK$20.6 million, as compared to approximately HK$36.5 million recorded for the six months ended 30 June 2024. During the six months period ended 30 June 2025, the Group's revenue was derived from its lithium ion motive battery business and the decrease in revenue was mainly due to reduction in sales volume as a consequence of the US-China trade war comparing to the same period in 2024.

The Group recorded loss attributable to owners of the Company of approximately HK$23.3 million for the six months ended 30 June 2025, representing a decrease of approximately 72.1% or HK$60.4 million, as compared to approximately HK$83.7 million for the six months ended 30 June 2024. Such decrease was mainly due to (i) the absence of the written off of property, plant and equipment for the six months ended 30 June 2025, as compared to approximately HK$25.5 million for the six months ended 30 June 2024; and (ii) the substantial decrease of administrative expenses from approximately HK$69.4 million for the six months ended 30 June 2024 to approximately HK$31.1 million for the six months ended 30 June 2025.

It was mentioned in the 2025 Interim Results Announcement that the Group's distribution and selling expenses of approximately HK$1.2 million for the year ended 30 June 2025 mainly consisted of staff costs and transportation and travelling expenses. Administrative expenses decreased from approximately HK$69.4 million for the six months ended 30 June 2024 to approximately HK$31.1 million for the six months ended 30 June 2025 mainly due to (i) the reduction in depreciation from HK$33.9 million to approximately HK$18.3 million as part of the property, plant and equipment is fully depreciated; and (ii) the reduction in research and development expenses from approximately HK$14.7 million to approximately HK$0.3 million as a result of temporary suspension on research projects in the process of ascertaining future development blueprint of the Group. Finance costs decreased from approximately HK$1.6 million for the six months ended 30 June 2024 to approximately HK$1.2 million for the six months ended 30 June 2025 due to partial repayment of loan.

(b) For the year ended 31 December 2024

As set out in the 2024 Annual Report, the Group recorded revenue of approximately HK$66.7 million for the year ended 31 December 2024, representing a decrease of approximately 48.3% or HK$62.5 million, as compared to approximately HK$129.2 million recorded for the year ended 31 December 2023. During the year ended 31 December 2024, the Group's revenue was derived from its lithium ion motive battery business and the decrease in revenue was mainly due to deteriorated market conditions. Gross profit narrowed as a result of adjustments to product price.

The Group recorded loss attributable to owners of the Company of approximately HK$142.9 million for the year ended 31 December 2024, representing an increase of approximately 59.3% or HK$53.2 million, as compared to approximately HK$89.7 million for the year ended 31 December 2023. Such increase was mainly attributable to (i) the disposal of scrap products turned from a gain of approximately HK$5.6 million for the year ended 31 December 2023 to a loss of approximately HK$0.8 million for the year ended 31 December 2024; (ii) the absence of gain on disposal of right-of-use assets for the year ended 31 December 2024 which was approximately HK$8.1 million for the year ended 31 December 2023; (iii) the decrease of gain on waiver of trade and other payables from approximately HK$17.4 million for the year ended 31 December 2023 to approximately HK$1.6 million for the year ended 31 December 2024. As mentioned in the 2024 Annual Report, certain supplier did not pursue the Group to settle the outstanding balance over 3 years. According to PRC "Civil Code", the statute of limitations for ordinary claims is three years. On 3 November 2023, the intermediate People's Court of Shenzhen city ordered Tesson New Energy (Shenzhen) Limited, a subsidiary of the Company, to pay approximately RMB1,522,000 (equivalent to approximately HK$1,676,000) and overdue interests to the supplier. The remaining balance of approximately RMB15,740,000 (equivalent to approximately HK$17,401,000) was waived for the year ended 31 December 2023; and (iv) the newly incurred impairment loss on property, plant and equipment of approximately HK$19.3 million and written off of inventory of approximately HK$3.3 million for the year ended 31 December 2024.

It was mentioned in the 2024 Annual Report that the Group's distribution and selling expenses of approximately HK$4.2 million for the year ended 31 December 2024 mainly consisted of staff costs and entertainment expenses. Administrative expenses increased from approximately HK$117.5 million for the year ended 31 December 2023 to approximately HK$129.5 million for the year ended 31 December 2024 mainly represented depreciation of approximately HK$64.4 million and staff cost of approximately HK$18.2 million. Finance costs for the year decreased from approximately HK$4.8 million for the year ended 31 December 2023 to approximately HK$2.9 million for the year ended 31 December 2024 due to partial settlement of borrowings during the year.

(c) For the year ended 31 December 2023

The Group recorded revenue of approximately HK$129.2 million for the year ended 31 December 2023, representing an increase of approximately 36.9% or HK$34.8 million, as compared to approximately HK$94.4 million recorded for the year ended 31 December 2022. During the year ended 31 December 2023, the Group's revenue of approximately HK$129.2 million was entirely derived from its lithium ion motive battery business. During the year ended 31 December 2022, revenue comprised of approximately HK$93.8 million from lithium ion motive battery business, approximately HK$0.6 million from internet sales; and approximately HK$7.8 million from the discontinued operation, which was property development and cultural business. The increase in revenue from lithium ion motive battery business for the year ended 31 December 2023 was mainly due to the increase in sales to current customers. The Group's internet sales business was in limited operation in the year ended 31 December 2023. Gross profit dropped from approximately HK$8.0 million for the year ended 31 December 2022 to approximately HK$2.2 million for the year ended 31 December 2023 as a result of adjustments to product price.

The Group recorded loss attributable to owners of the Company of approximately HK$89.7 million for the year ended 31 December 2023, representing a decrease of approximately 54.3% or HK$106.4 million, as compared to approximately HK$196.1 million for the year ended 31 December 2022. Such decrease was mainly attributable to (i) the absence of the loss from discontinued operation for the year ended 31 December 2023, which was approximately HK$103.3 million for the year ended 31 December 2022; and (ii) the loss from continuing operation reduced from approximately HK$124.7 million for the year ended 31 December 2022 to approximately HK$101.0 million for the year ended 31 December 2023 mainly due to gain on waiver of account payables of approximately HK$17.4 million and gain on disposal of right-of-use assets of approximately HK$8.1 million. This was partly offset by other items in other income and loss (net) such as the absence of fire insurance claim income which was approximately HK$5.6 million for the year ended 31 December 2022; and impairment loss of other receivables of approximately HK$7.1 million which in contrast, was a reversal of impairment loss of approximately HK$2.4 million for the year ended 31 December 2022.

It was mentioned in the 2023 Annual Report that the Group's distribution and selling expenses of approximately HK$4.8 million for the year ended 31 December 2023 mainly consisted of staff costs and entertainment expenses. The Group's internet sales business was inactive in the year, together with other cost-control policy implemented, administrative expenses dropped from approximately HK$126.5 million for the year ended 31 December 2022 to approximately HK$117.5 million for the year ended 31 December 2023, which mainly represented depreciation of approximately HK$47.1 million and staff cost of approximately HK$22.3 million. Finance cost for the year decreased from approximately HK$6.8 million for the year ended 31 December 2022 to approximately HK$4.8 million for the year ended 31 December 2023 due to partial settlement of borrowings during the year and late year 2022.

Financial position

The following table summarises the financial position of the Group as at 31 December 2022, 2023 and 2024 as extracted from the 2023 Annual Report and the 2024 Annual Report, respectively; and the financial position of the Group as at 30 June 2025 as extracted from the 2025 Interim Results Announcement.

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	(audited)	*(audited)*	*(audited)*	*(unaudited)*
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Total assets	696,854	599,030	420,160	391,824
Total liabilities	(356,289)	(371,509)	(307,242)	(307,717)
Net current assets/(liabilities)	2,121	(26,690)	(34,904)	(47,432)
Net assets	340,565	227,521	112,918	84,107

(a) Comparison between 31 December 2024 and 30 June 2025

Total assets decreased from approximately HK$420.2 million as at 31 December 2024 to approximately HK$391.8 million as at 30 June 2025 mainly attributable to the decrease in (i) property, plant and equipment by approximately HK$16.1 million; (ii) trade, bills and other receivables, deposits and prepayments by approximately HK$3.3 million; and (iii) bank and cash balances by approximately HK$8.3 million.

Total liabilities increased slightly from approximately HK$307.2 million as at 31 December 2024 to approximately HK$307.7 million as at 30 June 2025 mainly due to the increase of trade and other payables by approximately HK$4.0 million and the increase of amount due to the controlling shareholder by approximately HK$5.9 million; which was partly offset by the decrease of borrowings by approximately HK$8.0 million and the decrease of lease liabilities by approximately HK$1.6 million.

(b) Comparison between 31 December 2023 and 31 December 2024

Total assets decreased from approximately HK$599.0 million as at 31 December 2023 to approximately HK$420.2 million as at 31 December 2024 mainly attributable to the decrease in (i) property, plant and equipment by approximately HK$105.9 million; (ii) inventories by approximately HK$38.3 million; and (iii) trade, bills and other receivables, deposits and prepayments by approximately HK$35.5 million.

Total liabilities decreased from approximately HK$371.5 million as at 31 December 2023 to approximately HK$307.2 million as at 31 December 2024 mainly attributable to the decrease in (i) trade and other payables by approximately HK$36.1 million; (ii) borrowings by approximately HK$17.1 million; (iii) deferred tax liabilities by approximately HK$4.3 million; (iv) lease liabilities by approximately HK3.1 million; and (v) contract liabilities by approximately HK$3.1 million.

(c) Comparison between 31 December 2022 and 31 December 2023

Total assets decreased from approximately HK$696.9 million as at 31 December 2022 to approximately HK$599.0 million as at 31 December 2023 mainly attributable to decrease in (i) property, plant and equipment by approximately HK$69.9 million; (ii) right-of-use assets by approximately HK$17.5 million; (iii) trade, bills and other receivables, deposits and prepayments by approximately HK$9.2 million; and (iv) bank and cash balances by approximately HK$3.7 million, partly offset by the increase in inventories by approximately HK$3.9 million.

Total liabilities increased from approximately HK$356.3 million as at 31 December 2022 to approximately HK$371.5 million as at 31 December 2023 mainly attributable to the increase in trade and other payables by approximately HK$26.8 million partly offset by (i) the decrease in borrowings by approximately HK$4.7 million; (ii) the decrease in lease liabilities by approximately HK$4.3 million; and (iii) the decrease in contract liabilities by approximately HK$1.8 million.

(2) Information on the Subscribers

As mentioned in the Letter from the Board, Double Key is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the Latest Practicable Date, Double Key is wholly-owned by Ms. Cheng Hung Mui, a former executive Director, who resigned on 20 October 2024. Ms. Cheng Hung Mui is the spouse of Mr. Wei Qingwen, an executive Director. Ms. Cheng Hung Mui and Mr. Wei Mingren are the directors of Double Key.

As at the Latest Practicable Date, Double Key is interested in 135,781,543 Shares, representing approximately 61.81% of the entire issued share capital of the Company, and is the controlling shareholder of the Company.

Mr. Wei Mingren is the Chairman of the Board and an executive Director. He is the nephew of Mr. Wei Qingwen.

Mr. Li Yuqi is a PRC citizen, and cousin of Mr. Li Yuwei, one of the Shareholders who hold approximately 8.88% of the existing issued share capital of the Company as at the Latest Practicable Date. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Mr. Li Yuqi is an Independent Third Party as at the Latest Practicable Date.

(3) Reasons for and benefits of the Subscription

As shown in the 2024 Annual Report, the Group had net current liabilities of approximately HK$34.9 million as at 31 December 2024. It is mentioned in the Letter from the Board that the Subscription will enable the Company to reduce the indebtedness, strengthen the financial position of the Company, and provide additional funding for developing the Group's business. The Company intends to apply approximately 40% of the net proceeds from the Subscription to repay outstanding loan, approximately 40% of the net proceeds from the Subscription to explore new opportunities to further develop the Group's business, and the remaining 20% as general working capital to support the Group's operation for approximately three months for both Hong Kong head office and the production bases in China.

According to the 2025 Interim Results Announcement, the Group had relatively low bank and cash balances of approximately HK$1.2 million as at 30 June 2025 as compared with its outstanding loan of approximately HK$23.0 million as at 30 June 2025. As advised by the management of the Group, the Group obtained loan only from Hai Xia Finance Holdings Limited, which represented as borrowings in the accounts. The Company announced that on 16 July 2025, it, as a defendant, received an amended writ of summons dated 15 July 2025 issued in the Court of First Instance of the High Court of Hong Kong by the solicitors acting for Hai Xia Finance Holdings Limited as a plaintiff (the "**Plaintiff**") against the Company and Double Key. As disclosed in the said announcement, the loan was in the sum of HK$80.0 million for the loan period of 20 June 2018 to 15 October 2018, with interest accruing at 8% per annum. starting from the date of advancement of the loan. The Plaintiff alleges that the Company only made partial repayments in the period from 22 March 2022 to 13 June 2025, and is now claiming, against the Company and Double Key, for (i) the outstanding principal of HK$65,655,179.30; (ii) accrued contractual interest of HK$460,485.64; and (iii) further or other orders or relief as the Court deems fit. In view of the litigation, the Group's low bank and cash balances and net current liabilities position, we concur with the Directors that it is reasonable to use approximately 40% of the net proceeds from the Subscription (i.e. approximately HK$19.84 million) to partially repay the debt and lower the interest expenses of the Group.

In the Annual Report 2024, it is mentioned that the Group will continue to explore new opportunities and develop in new energy market taking market expansion, strategic partnerships and synergy effect into consideration, ultimately generate greater value to the shareholders in the future. Given its cash position is tight and the outstanding loan is repayable on demand or within one year, the Group would have funding needs for any business development when opportunities arise.

On 28 July 2025, the Company announced that it entered into a framework cooperation agreement (the "**Framework Agreement**") with Shenzhen Shendian Power Supply New Energy Co., Ltd.* (深圳市深電供電新能源有限公司) (the "**Partner**") for establishment of a joint venture with a proposed registered capital of RMB30 million, and the equity interest will be held by the Company and the Partner by 66% and 34% respectively. The joint venture is expected to engage in the investment, establishment and operation of charging stations for new energy heavy-duty trucks in Shenzhen, China and

the surrounding areas (the "**Project**"). The Company conducted feasibility study on the Project which covered aspects including but not limited to market demand, technical solutions, budget and risk management. According to the feasibility study report, new energy heavy-truck charging stations can be used in different scenarios such as fast charging in mining area transportation; and efficient and/or cost-effective charging in intercity transportation, trunk logistics and port transportation. As the scale of the new energy truck market continues to expand, the market demand for charging facilities is expected to grow rapidly. We understood from the management of the Group that the business model and operation of the joint venture are currently under negotiation; and the joint venture is expected to start operation in early 2026. We also understood from the management of the Group that it is expected that the Group will be responsible for the overall coordination and implementation of the Project, and the Partner will be responsible for coordinating with the power grid company regarding power supply and operational services to ensure power supply and normal operations in the project area. The management of the Group is of the view that the Project is complementary with the Group's existing lithium ion motive battery business which the Board is knowledgeable about its business environment and industrial practice. Depending on the development of the joint venture, the Group may expand its management and technical team with expertise in the operation of charging stations. The Company intends to satisfy its portion of capital contribution to the initial registered capital of the joint venture (i.e. RMB19.8 million) with approximately 40% of the net proceeds from the Subscription (i.e. approximately HK$19.84 million). As advised by the Company, if the Framework Agreement does not materialize, such portion of the net proceeds from the Subscription is expected to be used as the Group's working capital, such as the repayment of its trade and other payables.

As mentioned in the Letter from the Board, the Group continues to seek opportunities to expand its business in the new energy sector, which led to the signing of the Framework Agreement. The Company estimates that the normal construction period for a charging station for new energy heavy-duty truck is approximately 90-120 days, depending on its scale. The Group intends to start the preparation of this new business as soon as possible. The management is in the progress of searching suitable location and had shortlisted some of the possible locations. The construction of charging station and the leasing of land require registration with the relevant government authorities but no government approval is required. The management is of the view that the leasing of land and registration with relevant government authorities would not have a material impact on the construction period, and is aiming to generate a new revenue stream for the Group by early 2026. The new business is expected to improve the Group's financial performance in the long run. On this basis and taking into account the Group's persistent weak financial performance as well as reduction in sales, we concur with the Directors that the Group has an imminent need to proceed with the Subscription in order to fund its portion of capital contribution to the initial registered capital of the joint venture for the Project. As advised by the management of the Group, it is currently expected that the joint venture will initially involve construction of one charging station with 70 electric vehicles ("**EV**") chargers, which will incur rental of land and land leveling and paving costs; and construction cost for EV chargers and other affiliating facilities. Based on the Company's preliminary estimation, the total cost for constructing one charging station would be around RMB17.0 million, depending on the final scale of the charging station. Such costs is

expected to be covered by the registered capital of the joint venture; and capital requirement for any expansion is expected to be funded by the Group's internal resources and/or external financing (as appropriate). The estimated cost of RMB17.0 million includes first year rental of land and land leveling and paving costs of approximately RMB5 million; construction cost for new energy vehicles chargers and other affiliating facilities of approximately RMB12 million based on preliminary enquiry made by the management.

As mentioned in the Letter from the Board, currently the Group has no plan to downsize and/or cease its lithium ion motive battery business, and the Group will continue to participate in the sector and step forward to other new energy related products and/or business. In the first half of 2025, the US-China trade war escalated, export volume of the manufacturers in the PRC, including the customers of the Group, dropped significantly. As a consequence of the reduction in their production scale, purchase for the Group's battery products dropped. Sales volume and sales revenue of the Group dropped significantly in the first half of 2025. This alerts the management that new line of business or products is essential to complement the Group's operation for any unforeseen market change and political influence. The management is of the view that the new business of operating charging station is a way to diversify the Group's existing business portfolio and further penetrate into the new energy sector, and is of the interests of the Group and its shareholders.

Approximately 20% of the net proceeds from the Subscription (i.e. approximately HK$9.92 million) will be applied as general working capital to support the Group's operation for approximately three months for both Hong Kong head office and the production bases in China as detailed below:

	HK$'000
Salaries for staff and the Directors	6,431
Public utilities and cost of steam	802
Rental expenses	482
Other operating expenses	2,205
	9,920

According to the 2025 Interim Results Announcement with relevant breakdown obtained from the Company, we noted that for a period of six months ended 30 June 2025, the monthly average of the Group's abovementioned expenses amounted to approximately HK$2.6 million in total. We are advised by the management of the Group that the amount of the net proceeds from the Subscription for satisfying the Group's three-months general working capital requirement is estimated with reference to the historical figures in the accounts adjusted for increment due to the expected sales growth and/or market trend. We also understood from the management of the Group that the Group's capital commitment for plant and equipment will be no less than HK$10.0 million up to 30 June 2027. In light of the Group's capital commitment, outstanding loan repayable to the Plaintiff, historical net current liabilities position and negative operating

cashflow; and material uncertainty related to going concern stated in the 2024 Annual Report, we concurred that the Group has imminent needs to raise additional fund for general working capital in order to ease its liquidity pressure.

Other financing alternatives

We understood from the management of the Group that the Board has considered other alternative fundraising methods such as debt financing, rights issue or open offer. Given the recent market conditions, the Directors consider that raising funds by way of allotment and issue of the Subscription Shares will enable the Company to obtain funds at a lower cost, as compared to a rights issue or an open offer.

In respect of rights issue or open offer, we concur with the Directors that rights issue or open offer may not be desirable for the following reasons:

(a) additional time would reasonably be required. According to the "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by the Stock Exchange as updated in September 2024, (i) if general meeting is not required, an open offer will take at least 32 business days and a rights issue will take at least 28 business days from the date of announcement of the relevant proposal to the first date of dealings of the offer shares and full-paid rights shares; and (ii) if general meeting is required, both an open offer and a rights issue will take least 40 business days from the date of announcement of the relevant proposal to the first date of dealings of the offer shares or fully-paid rights shares;

(b) additional cost would be required for rights issue and open offer, including but not limited to underwriting commission (i.e. usually a percentage to the aggregated subscription price of underwritten shares) and other professional fees, including costs for engagement of reporting accountants, financial advisers and/or brokerage agent(s), as compared to the Subscription, for example, additional cost for unaudited pro forma financial information on net tangible assets, indebtedness statement, comfort letter on working capital sufficiency of the Group to be prepared by the reporting accountants or auditors of the Company; and

(c) in view of the current unclear market conditions, amount of fund that could be raised under a rights issue or an open offer is uncertain. In order to encourage the Shareholders to participate in a rights issue or an open offer, the Company will have to set the subscription price at deeper discount to the market price of the Shares as compared to a share placement so as to provide incentives to attract the Shareholders to further invest in the Company. While some Shareholders may still elect not to participate in the rights issue or open offer, deeper discount to the market price of the Shares will deteriorate value of the Shareholder's holdings in the Company due to the lower theoretical ex-rights price.

In respect of debt financing, it would incur additional finance costs to the Group and may be subject to lengthy due diligence and negotiations with potential lenders. Having considered the Group's net current liabilities position and weak financial performance, we concur with the Directors that it may not be practicable to obtain bank financing without incurring relatively high finance cost, which would result in additional interest burden to the Group.

In light of the above, we concur with the Directors that the Subscription is an appropriate fundraising method currently available to the Group. Having considered that the proposed use of proceeds is justifiable and in line with the reasons for the Subscription, we are of the view that although the Subscription is not conducted in the ordinary and usual course of business of the Group, the Subscription is in the interest of the Company and the Shareholders as a whole.

(4) Principal terms of the Subscription Agreements

Set out below is the principal terms of the three Subscription Agreements, details of which are set out under the section headed "Subscription Agreements" in the Letter from the Board:

Date

25 July 2025 (after trading hours)

Parties

Subscription Agreement A

(i) the Company (as issuer); and

(ii) Double Key (as subscriber)

Subscription Agreement B

(i) the Company (as issuer); and

(ii) Mr. Wei Mingren (as subscriber)

Subscription Agreement C

(i) the Company (as issuer); and

(ii) Mr. Li Yuqi (as subscriber)

Each of Double Key and Mr. Wei Mingren is a connected person of the Company, whose details are set out under the section headed "(2) Information on the Subscribers" above.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Mr. Li Yuqi is an Independent Third Party.

Number of Subscription Shares subscribed by the Subscribers

Subscription Agreement A

75,000,000 Subscription Shares, represent approximately 34.14% of the existing issued share capital of the Company as at the Latest Practicable Date; and approximately 23.46% of the issued share capital of the Company as enlarged by the allotment and issue of all Subscription Shares under the three Subscription Agreements (assuming that there are no other changes in the share capital of the Company between the Latest Practicable Date and the date of the Completion).

Subscription Agreement B

13,000,000 Subscription Shares, represent approximately 5.92% of the existing issued share capital of the Company as at the Latest Practicable Date; and approximately 4.07% of the issued share capital of the Company as enlarged by the allotment and issue of all Subscription Shares under the three Subscription Agreements (assuming that there are no other changes in the share capital of the Company between the Latest Practicable Date and the date of the Completion).

Subscription Agreement C

12,000,000 Subscription Shares, represent approximately 5.46% of the existing issued share capital of the Company as at the Latest Practicable Date; and approximately 3.75% of the issued share capital of the Company as enlarged by the allotment and issue of all Subscription Shares under the three Subscription Agreements (assuming that there are no other changes in the share capital of the Company between the Latest Practicable Date and the date of the Completion).

Total Subscription Shares under the three Subscription Agreements being 100,000,000 Subscription Shares represent approximately 45.52% of the existing issued share capital of the Company as at the Latest Practicable Date; and approximately 31.28% of the issued share capital of the Company as enlarged by the allotment and issue of all Subscription Shares (assuming that there are no other changes in the share capital of the Company between the Latest Practicable Date and the date of the Completion).

4.1 Subscription Price

The Subscription Price is the same for all three Subscription Agreements. The Subscription Price of HK$0.5 per Subscription Share represents:

(i) a discount of approximately 43.18% to the closing price of HK$0.88 as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 16.67% to the closing price of HK$0.60 as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 19.87% to the average closing price of HK$0.624 as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day;

(iv) a discount of approximately 2.72% to the latest published audited consolidated net asset value per Share as at 31 December 2024 of approximately HK$0.514 (based on the net asset value of the Group as at 31 December 2024 of approximately HK$112.9 million as shown in the 2024 Annual Report and 219,685,228 Shares in issue as at 31 December 2024);

(v) a premium of approximately 30.60% to the latest published unaudited consolidated net asset value per Share as at 30 June 2025 of approximately HK$0.383 (based on the net asset value of the Group as at 30 June 2025 of approximately HK$84.1 million as shown in the 2025 Interim Results Announcement and 219,685,228 Shares in issue as at 30 June 2025); and

(vi) the theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 6.22% represented by the theoretical diluted price of approximately HK$0.5852 per Share to the benchmarked price of approximately HK$0.6240 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK$0.60 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days prior to the Last Trading Day of HK$0.6240 per Share).

As mentioned in the Letter from the Board, the Subscription Price of HK$0.5 for the Subscription was arrived at after arm's length negotiations between the Company and the Subscribers with reference to the recent market prices of the Shares, current market conditions and the funding needs as disclosed under the section headed "(3) Reasons for and benefits of the Subscription" above.

In determining the Subscription Price and number of Subscription Shares, the Board has considered the following factors:

(i) The share price of the Company exhibited a generally downward trend since October 2024. In the preceding three months immediately prior to the date of the Subscription Agreement, the share price of the Company varied between HK$0.45 and HK$0.75, while the trading volume of the Shares maintained at a very low level. The Subscription Price is within this range, and represented a discount of approximately 16.67% to the closing price on the Last Trading Day, and approximately 19.87% discount to the average closing price of the Shares over the five consecutive trading days immediately prior to the Last Trading Day.

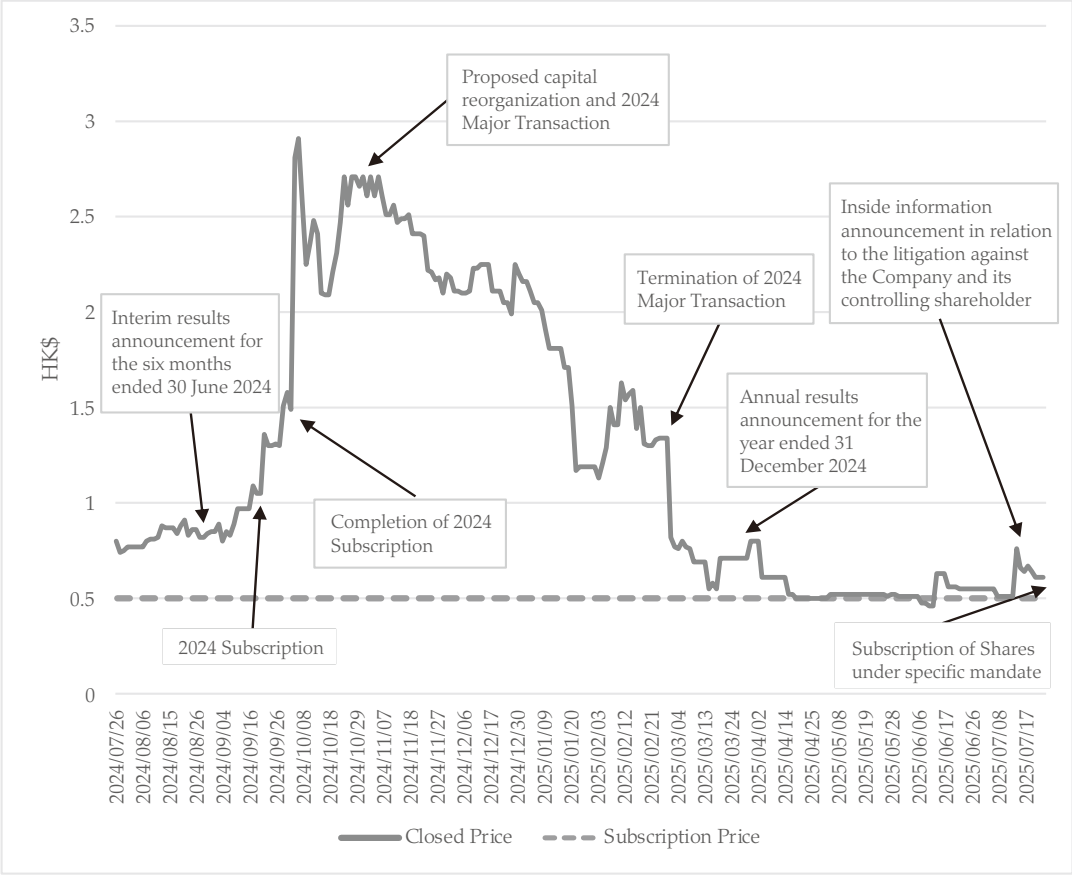
(ii) As set out in the announcement of the Company dated 18 July 2025 regarding the litigation initiated by a lender against the Company and its controlling shareholder, the Company is seeking legal advice and intends to negotiate with the lender for other feasible solutions. The Company plans to utilise a portion of the proceeds from Subscription to settle part of the outstanding principal. Further, as set out in the announcement dated 28 July 2025, the Group is considering a new project on charging stations for new energy heavy-duty trucks in the PRC with initial investment amount of approximately RMB19.8 million. The Board takes the view that the Subscription Price enables the Group to obtain adequate funding to meet the aforesaid purposes.

The Directors (including the members of the Independent Board Committee after having been advised by the Independent Financial Adviser) consider the terms of the Subscription Agreements, including the Subscription Price, to be normal commercial terms and the Subscription is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

We noted that the Subscription Price represents a discount of approximately 2.72% to the latest published audited consolidated net asset value per Share as at 31 December 2024; but represents a premium of approximately 30.60% to the latest published unaudited consolidated net asset value per Share as at 30 June 2025. This is due to the decrease in total assets and the slightly increase in total liabilities as discussed in "Financial Position — (a) comparison between 31 December 2024 and 30 June 2025" under the section headed "(1) Background information of the Company" above. As such, net asset value per Share decreased from approximately HK$0.514 per Share as at 31 December 2024 to approximately HK$0.383 per Share as at 30 June 2025. In light of (i) the Subscription Price represents a discount to the net asset value per Share as at 31 December 2024 but a premium over the net asset value per Share as at 30 June 2025; and (ii) among the 245 trading days during the Review Period (as defined below), there were 148 trading days which the closing price of the Shares were over 20% higher or over 20% lower than the then net asset value per Share, we consider that the net asset value per Share is not a meaningful benchmark to assess the Subscription Price. The current market price of the Shares in general reflects the value of the Shares that is generally perceived by the market; therefore, it would be a more appropriate reference in determining the Subscription Price.

4.1.1 Historical closing price

Set out below is a chart showing the movement of the closing prices of Shares during the one-year period from 26 July 2024 up to and including the date of the Subscription Agreements (i.e. 25 July 2025) (the "**Review Period**"), which is a commonly adopted period for analysis and the duration of such period is sufficient for us to perform a thorough analysis on the historical closing price of Shares. The comparison of the daily closing price of Shares and the Subscription Price is illustrated as follows:



During the Review Period, the lowest closing price of Shares as quoted on the Stock Exchange were HK$0.45 on 12 and 13 June 2025 and the highest closing price of Shares as quoted on the Stock Exchange were HK$2.9 per Share as quoted on 7 October 2024. The Subscription Price of HK$0.5 per Share is within the range of the lowest and highest closing price of Shares.

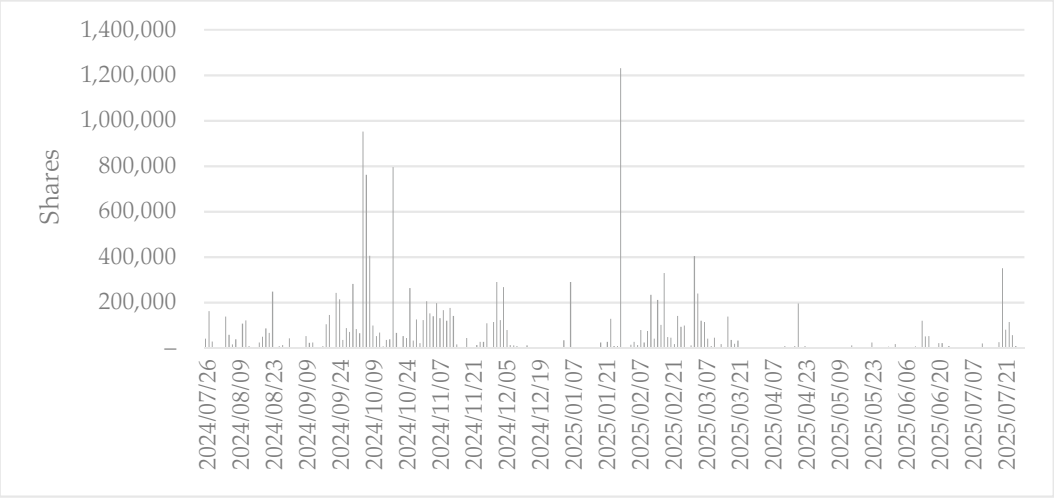
The closing prices of the Share increased from HK$0.79 since the beginning of the Review Period. After the trading hours on 30 August 2024, the Company published its interm results announcement for the six months ended 30 June 2024. The closing prices of the Shares remained stable at around HK$0.84 between 30 August 2024 and 9 September 2024. The closing prices of the Shares began to rise on 10 September 2024 and reached HK$1.04 on 20 September 2024. After the trading hours on 20 September 2024, the Company announced subscription of new shares

under general mandate (the "**2024 Subscription**") to raise net proceeds of approximately HK$11.6 million. The closing prices of the Share escalated from HK$1.04 on 20 September 2024 to HK$1.35 on 23 September 2024. After trading hours on 7 October 2024, the Company announced the completion of the 2024 Subscription. The closing prices of the Share reached HK$2.9, which is the highest closing price of the Shares during the Review Period on 7 October 2024. From 8 October 2024 to 1 November 2024, the closing prices of Share fluctuated between HK$2.08 and HK$2.7. After the trading hours on 1 November 2024, the Company announced proposed capital reorganisation, which included the share consolidation, the capital reduction and the sub-division; and a major transaction in relation to formation of joint venture companies (the "**2024 Major Transaction**") to utilise the joint venture partner's unique technology, resources and intellectual property advantages in China's new energy field. Thereafter, the closing prices of the Shares showed a gradual decreasing trend and fell to HK$1.12 on 4 February 2025. The closing price of Shares increased to HK$1.49 on 7 February 2025 and fluctuated around HK$1.49 during the period from 7 February 2025 to 19 February 2025. The 2024 Major Transaction was terminated pursuant to the announcement of the Company dated 1 March 2025. The closing prices of the Shares dropped sharply from HK$1.33 on 28 February 2025, prior to the said announcement, to HK$0.81 on 3 March 2025. The closing price of the Shares fluctuated between HK$0.54 and HK$0.79 between 4 March 2025 and 28 March 2025. After the trading hours on 28 March 2025, the Company published its annual results announcement for the year ended 31 December 2024. The closing prices of the Shares increased to and remained at HK$0.79 on 1 April to 3 April 2025. The closing prices of the Shares then generally decreased and reached HK$0.45 on 12 June 2025, which is the lowest closing price of Share during the Review Period. The closing price of the Shares fluctuated between HK$0.45 and HK$0.75 from 13 June 2025 to 18 July 2025. After the trading hours on 18 July 2025, the Company published the inside information announcement in relation to the litigation against the Company and its controlling shareholder. The closing price of the Shares decreased slightly from HK$0.66 on 21 July 2025 to HK$0.6 on 25 July 2025, being the date of the Subscription Agreements. The Directors confirmed that save for the abovementioned corporate actions, they are not aware of any reasons for such increase or decrease in the closing price of the Shares mentioned above.

Although the Subscription Price is below the average closing prices of the Share and was in the lower end of the closing prices during the Review Period, having considered that (i) the closing prices of the Share had been in a general downward trend since November 2024; (ii) given the relatively low trading volume of the Shares as illustrated below may hinder the attractiveness of any fundraising activities of the Company; and (iii) reasons for entering into the Subscription Agreements and benefits of the Subscription as mentioned in the section headed "(3) Reasons for and benefits of the Subscription" above, in particular the Group has imminent needs to raise additional funds for repayment of outstanding loan and replenishment of working capital and the Subscription is an appropriate fundraising method in terms of time and cost effectiveness as compared with other financial alternatives, we concurred with the Directors that the Subscription Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

4.1.2 Historical trading volume

The average daily trading volume of the Shares for each month, and the respective percentages of the average daily volume as compared to the total number of issued Shares at the beginning of each calendar month during the Review Period are set out below:



	Approximate average daily trading volume of the Shares *Number of Shares*	**Number of issued Shares at the beginning of each month** *Number of Shares*	**Percentage of average daily trading volume to total number of issued Shares at the beginning of the month** *Approximately %*
2024			
July	59,250	207,685,228	0.03%
August	46,773	207,685,228	0.02%
September	68,621	207,685,228	0.03%
October	195,158	207,685,228	0.09%
November	85,686	219,685,228 *(Notes 1 and 2)*	0.04%
December	40,605	219,685,228 *(Notes 1 and 2)*	0.02%

	Approximate average daily trading volume of the Shares *Number of Shares*	**Number of issued Shares at the beginning of each month** *Number of Shares*	**Percentage of average daily trading volume to total number of issued Shares at the beginning of the month** *Approximately %*
2025			
January	92,621	219,685,228 *(Note 2)*	0.04%
February	80,516	219,685,228 *(Note 2)*	0.04%
March	58,110	219,685,228 *(Note 2)*	0.03%
April	12,212	219,685,228 *(Note 2)*	0.01%
May	2,430	219,685,228 *(Note 2)*	0.00%
June	14,414	219,685,228 *(Note 2)*	0.01%
July (up to the date of the Subscription Agreements)	36,683	219,685,228 *(Note 2)*	0.02%

Source: Website of the Stock Exchange and Bloomberg

Notes:

1. Adjusted for the 2024 Subscription, being the issue of 120,000,000 Shares (before share consolidation which became effective on 17 December 2024) to a subscriber which was completed on 7 October 2024.

2. Adjusted for the share consolidation of 10 shares into 1 consolidated share which became effective on 17 December 2024.

As shown in the table above, trading volume of the Shares was exceptionally high in October 2024, representing approximately 0.09% of average daily trading volume to the total number of issued Shares at the beginning of the month. We have reviewed the announcements published by the Company on the website of the Stock Exchange in October 2024; and enquired the Directors about the reasons for the high trading volume of the Shares in October 2024. The Directors confirmed that save for the completion of the 2024 Subscription as announced on 7 October 2024; and the change of directors, appointment of chief executive and change of authorised representative as announced on 20 October 2024, they are not aware of any reasons for the exceptionally high trading volume of the Shares in October 2024. During the

Review Period and save for October 2024, the average daily trading volume of the Shares ranged from approximately 0.00% to approximately 0.04% of the total number of issued Shares as at the beginning of the relevant months, indicating generally thin trading liquidity during the Review Period. Given the low liquidity of the Shares, it is reasonable to set the Subscription Price at a discount to the prevailing market prices of the Shares to attract investor(s).

4.1.3 Comparable transactions

As part of our analysis, we also identified subscription of new shares under specific mandate for cash consideration during the six-month period from 26 January 2025 up to and including the date of the Subscription Agreements (i.e. 25 July 2025), which is sufficient for us to identify sizeable samples of comparable transactions for analysis, with the following criteria: the subscription transactions (i) were not lapsed or terminated up to the Latest Practicable Date; (ii) do not involve the issuance of A shares, H shares or domestic shares; (iii) do not relate to rights issue, restructuring, acquisition or loan capitalization, as announced by companies listed on the Stock Exchange (the "**Comparable Transactions**"). We found 15 transactions which met the said criteria and they are exhaustive. Shareholders should note that although the businesses, operations, market capitalisation and prospects of the Company are not the same as the subject companies of the Comparable Transactions; and the issuance size of the Subscription is not the same as those of the Comparable Transactions, the Comparable Transactions can demonstrate the recent market practices of subscription transactions under specific mandate conducted by Hong Kong listed companies and thus they are fair and representative for our analysis.

Company name (Stock code)	Date of announcement	Market capitalisation *(HK$ million)*	Premium/ (discount) of the subscription price over/to the closing price per share on last trading date prior to the date of the subscription agreement *(%)*	Premium/ (discount) of the subscription price over/to the average closing price per share for the five consecutive trading days immediately preceding the date of the subscription agreement *(%)*	Gross proceeds *(HK$ million)*	Principal activities
CHINA ZHENGTONG AUTO SERVICES HOLDINGS LTD. (1728)	26 January 2025	368	36.36	42.59	1,000.36	4S dealership business, supply chain business and comprehensive properties business
CHINA SILVER TECHNOLOGY HOLDINGS LTD. (515)	7 March 2025	92	58.73	53.37	22.6	Manufacture and trading of double-sided printed circuit boards
ACME INTERNATIONAL HOLDINGS LTD. (1870) *(Note 2)*	17 March 2025 and 16 May 2025	191	(28.03)	(30.90)	32.4	Building maintenance unit business
ZO FUTURE GROUP (2309)	11 April 2025	1,891	(18.78)	(18.10)	130.0	Operation of professional football clubs
KINGSOFT CLOUD HOLDINGS LTD. (3896)	17 April 2025	23,022	(17.07)	(16.83)	404.5	Provision of independent cloud services
BRIGHTSTAR TECHNOLOGY GROUP CO., LTD (8446)	13 May 2025	113	14.17	10.48	28.8	Provision of visual display solutions services
UNIVERSAL HEALTH INTERNATIONAL GROUP HOLDING LTD. (2211)	13 May 2025	65	1.27	2.83	24.4	Distributions and retails of drugs and other pharmaceutical products
DOWWAY HOLDINGS LTD. (8403)	27 May 2025	190	(17.39)	(19.61)	6.8	Design, planning, coordination and management of exhibitions, events and showrooms, media advertising events and electronic commerce services

Company name (Stock code)	Date of announcement	Market capitalisation *(HK$ million)*	Premium/ (discount) of the subscription price over/to the closing price per share on last trading date prior to the date of the subscription agreement *(%)*	Premium/ (discount) of the subscription price over/to the average closing price per share for the five consecutive trading days immediately preceding the date of the subscription agreement *(%)*	Gross proceeds *(HK$ million)*	Principal activities
HAICHANG OCEAN PARK HOLDINGS LTD. (2255)	2 June 2025	6,816	(44.44)	(45.26)	2295.0	Operation and development of marine theme park
SINOHOPE TECHNOLOGY HOLDINGS LTD. (1611)	29 June 2025	1,382	(29.66)	(23.85)	275.6	Manufacture and sale of energy-related electric and electronic products
CT VISION S.L. (INTERNATIONAL) HOLDINGS LTD. (994) *(Note 3)*	8 July 2025	143	108.09	104.08	65.9	Provision of construction services
NATIONAL UNITED RESOURCES HOLDINGS LTD. (254)	16 July 2025	184	2.56	(2.91)	50.0	Operation of car rental business
EV DYNAMICS (HOLDINGS) LTD. (476)	18 July 2025	154	(33.80)	(41.60)	27.0	Energy and resource businesses
OSL GROUP LTD. (863)	25 July 2025	10,746	(15.34)	(16.20)	708.0	Digital assets and blockchain platform business
PURAPHARM CORPORATION LTD. (1498)	25 July 2025	182	(5.50)	(5.50)	20.0	Concentrated Chinese medicine granule businesses
		Maximum	58.73	53.37		
		Minimum	(44.44)	(45.26)		
		Average	(6.92)	(7.96)		
		Median	(16.21)	(16.52)		
The Company	25 July 2025	132	(16.67)	(19.87)	50.0	

Source: Website of the Stock Exchange and Bloomberg

Notes:

1. The information in the table is extracted from the relevant announcement and from public disclosures.

2. The information is based on the revised number of subscription shares (188,370,000 shares) and subscription price (HK$0.172) pursuant to the supplement agreement dated 16 May 2025.

3. As the premiums of the subscription price over the relevant closing prices of CT Vision S.L. (International) Holdings Ltd. (994) are over 100%, we consider such comparable transaction is an outlier and is excluded from the analysis.

According to the table above, we noted that the subscription prices of the Comparable Transactions:

- ranged from a discount of approximately 44.44% to a premium of approximately 58.73% (excluding outlier), with average discount of approximately 6.92% to the respective closing prices of the shares on the last trading date prior to the date of the respective subscription agreement (the "**LTD Discount/Premium Market Range**");

- ranged from a discount of approximately 45.26% to a premium of approximately 53.37%, with average discount of approximately 7.96% to the respective average closing prices of the shares for the five consecutive trading days immediately preceding the date of the respective subscription agreement (the "**5 Days Discount/Premium Market Range**").

The Subscription Price represents: (i) a discount of approximately 16.67% to closing prices of the Shares on the last trading date prior to the date of the Subscription Agreements, which is within the LTD Discount/Premium Market Range; and (ii) a discount of approximately 19.87% to the average closing price of the Shares for the five consecutive trading days immediately preceding the date of the Subscription Agreements, which is also within the 5 Days Discount/Premium Market Range.

Having considered that (i) despite the Subscription Price represents discount to the closing price of the Shares on the last trading date prior to the date of the Subscription Agreements greater than the average discount to the closing prices of the shares on the last trading date prior to the date of the respective subscription agreement of the Comparable Transactions, subscription prices of 7 out of the 14 Comparable Transactions (excluding the outlier) represented discount to the respective closing price of the shares on the last trading date prior to the date of the subscription agreement greater than that of the Subscription Price; (ii) there are Comparable Transactions where the subscription prices represented discount to the respective average closing price of the shares for the five consecutive trading days immediately preceding the date of the subscription agreement greater than that of the Subscription Price, although they are minority among the Comparable Transactions; (iii) despite the discount of the Subscription Price to the average closing price per Share for the five consecutive trading days immediately preceding the date of the Subscription Agreements was greater than the median discount of that of the Comparable Transactions; the discount of the Subscription Price to the closing price per Share on the Last Trading Date prior to the date of the Subscription Agreement was slightly higher and close to the median discount of that of the Comparable Transactions; and (iv) given the continuous net loss financial performance and the net current liabilities position of the Group, a relatively deep discount to the prevailing closing price of the Shares is inevitable to attract the Subscribers, we considered that the extent of discount to the closing prices of the Shares in determining the Subscription Price is not uncommon and the Subscription Price is fair and reasonable and on normal commercial terms.

Having considered that (i) the Subscription Price is within the respective closing price range of the Comparable Transactions; (ii) low liquidity of the Shares as illustrated in the paragraph headed "4.1.2 Historical trading volume" above; and (iii) the funding needs of the Group as discussed, we are of the view that the Subscription Price is fair and reasonable.

(5) Possible financial impacts of the Subscription

5.1 Working capital

According to the 2025 Interim Results Announcement, the Group had bank and cash balances of approximately HK$1.2 million as at 30 June 2025. As mentioned in the Letter from the Board, the Group will apply approximately 20% of the net proceeds from the Subscription as its general working capital. It is expected that the net proceeds from the Subscription will lead to an increase in the bank and cash balances, which will help to replenish the general working capital of the Group.

5.2 Gearing ratio

The Group's gearing ratio (defined as a percentage of total borrowings over total equity) was approximately 27.30% as at 30 June 2025. It is expected that net proceeds from the Subscription will enhance the Group's bank and cash balances for partial repayment of the Group's borrowings and enlarge its capital base and total equity. Accordingly, the gearing ratio of the Group is expected to decrease.

5.3 Net asset value per Share

As at 30 June 2025, the unaudited consolidated net asset value of the Company was approximately HK$84.1 million. Upon completion of the Subscription, total assets and net assets of the Group will increase. Since the Subscription Price of HK$0.5 per Subscription Share is higher than the net asset value per Share of approximately HK$0.383 as at 30 June 2025, the net asset value per Share will increase slightly upon completion of the Subscription.

It should be noted that the abovementioned analysis is for illustrative purpose only and does not purport to represent how the financial position of the Company following completion of the Subscription.

(6) Potential dilution effect of the Subscription on the shareholding interests

With reference to the shareholding table in the section headed "Effects on shareholding structure" in the Letter from the Board, the shareholding interests held by the existing public Shareholders would be diluted by approximately 9.16 percentage points as a result of the Subscription (assuming there will be no change in number of Shares in issue (other than the issue of all Subscription Shares pursuant to the three Subscription Agreements) between the Latest Practicable Date and the date of Completion). Having considered (i) the reasons for and benefits of the Subscription; and (ii) the terms of the Subscription being fair and reasonable, we are of the view that the said level of dilution to the shareholding interests of the existing public Shareholders as a result of the Subscription is acceptable.

RECOMMENDATION

Having considered that the above principal factors and reasons, in particular:

(i) the Group has imminent need to raise additional fund to improve its cash position, repay outstanding loan and replenish its working capital as discussed in the section headed "(3) Reasons for and benefits of the Subscription" above;

(ii) the Group entered into the Framework Agreement for establishment of a joint venture to develop the business of charging stations for new energy heavy-duty trucks in Shenzhen as discussed in the section headed "(3) Reasons for and benefits of the Subscription" above. This is in line with the Group's business strategy to explore new opportunities and develop in new energy market taking market expansion as mentioned in the 2024 Annual Report; and the Group has genuine funding needs for contribution of the registered capital to the joint venture;

(iii) the Subscription is the most appropriate financing alternatives which would provide the Group with amount of funds with certainty and is efficient and cost effective as compared to other financing alternatives;

(iv) the Subscription Price of HK$0.5 per Subscription Share falls within the range of the daily closing prices of the Shares during the Review Period; and is above the latest published unaudited consolidated net asset value per Share as at 30 June 2025 of approximately HK$0.383;

(v) Double Key is the controlling Shareholder and one of the Subscribers. Its participation in Subscription demonstrates support to enhance the Group's ability to continue as a going concern; and

(vi) the Subscription Price was the same for Double Key and Mr. Wei Mingren (who are connected persons of the Company) and Mr. Li Yuqi (who is an Independent Third Party),

we are of the opinion that (i) the terms of Subscription are on normal commercial terms and are fair and reasonable; and (ii) although the Subscription is not conducted in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to recommend the Independent Shareholders, and we ourselves advise the Independent Shareholders, to vote in favour of the resolution(s) relating to the Subscription Agreements and transactions contemplated thereunder at the SGM.

Yours faithfully,
For and on behalf of
SBI China Capital Hong Kong Securities Limited

Ringo Kwan	**Evelyn Fan**
Managing Director	*Executive Director*

Mr. Ringo Kwan and Ms. Evelyn Fan have been responsible officers of Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) since 2005 and 2012, respectively. Both of them have participated in the provision of independent financial advisory services for various types of transactions involving companies listed in Hong Kong.

1. RESPONSIBILITY STATEMENT

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

2. DIRECTORS' AND THE CHIEF EXECUTIVE'S INTERESTS

As at the Latest Practicable Date, save as disclosed below, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he/she was deemed or taken to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers Contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

Long positions in the issued Shares

Name of Director	*Note*	**Capacity or nature of interests**	**Number of issued ordinary Shares held**	**Percentage of the total issued share capital of the Company**
Wei Qingwen	*1*	Interest of spouse	135,781,543	61.81%

Note

1. The shares are held by Double Key which is wholly owned by Ms. Cheng Hung Mui, the spouse of Mr. Wei Qingwen, an executive Director. Therefore, Mr. Wei Qingwen is deemed to be interested in the Shares held by Double Key pursuant to the SFO.

As at the Latest Practicable Date, save as to Mr. Wei Mingren who is a director of Double Key, none of the Directors was a director or employee of a company which had an interest or short position 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.

3. DIRECTORS' SERVICE CONTRACTS

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

4. INTEREST IN ASSETS AND CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, (i) none of the Directors had any interest, direct or indirect, in any assets which have since 31 December 2024 (being the date to which the latest published audited consolidated financial statements of the Group were made up), been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and (ii) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or controlling shareholders or their respective 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.

6. MATERIAL ADVERSE CHANGE

The Directors confirm there is no material adverse change in the financial or trading position of the Group since 31 December 2024 (being the date to which the latest published audited financial statements of the Group were made up) up to and including the Latest Practicable Date.

7. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given its opinion or advice which is contained in this circular:

Name	Qualification
SBI China Capital Hong Kong Securities Limited	a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

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

As at the Latest Practicable Date, the above expert did not have any direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was 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 audited financial statements of the Group was made up.

8. MISCELLANEOUS

(a) The company secretary of the Company is Mr. Chan Wei, who is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

(b) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

(c) The head office and principal place of business of the Company in Hong Kong is at Room 401A, Empire Centre, 68 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong.

(d) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited, at Rooms 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(e) This circular has been prepared in both English and Chinese. In the case of any discrepancies, the English text shall prevail over the respective Chinese text.

9. DOCUMENTS ON DISPLAY

A copy of each of the following documents will be published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (https://www.tessonholdings.com) from the date of this circular up to and including the date of the SGM:

(1) Subscription Agreement A;

(2) Subscription Agreement B;

(3) Subscription Agreement C;

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

(5) the letter of advice from the Independent Financial Adviser, the text of which is set out on pages IFA-1 to IFA-30 of this circular; and

(6) the written consent of the expert referred to in the paragraph headed "7. Qualification and Consent of Expert" in this Appendix.

TESSON HOLDINGS LIMITED
天臣控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 1201)

NOTICE IS HEREBY GIVEN that a special general meeting of Tesson Holdings Limited (the "**Company**") will be held at Picasso Room B, B1 Level, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Monday, 20 October 2025 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

"**THAT**

1. Subscription Agreement A (a copy of Subscription Agreement A has been produced to the SGM and marked "A" for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved and confirmed; and any one of the Directors be and is hereby authorised to sign, execute, seal (where required) and deliver all such documents and take such action as he/she may deem necessary, desirable, expedient or appropriate in connection with or to implement or give effect to Subscription Agreement A and the transactions contemplated thereunder;

2. Subscription Agreement B (a copy of Subscription Agreement B has been produced to the SGM and marked "B" for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved and confirmed; and any one of the Directors be and is hereby authorised to sign, execute, seal (where required) and deliver all such documents and take such action as he/she may deem necessary, desirable, expedient or appropriate in connection with or to implement or give effect to Subscription Agreement B and the transactions contemplated thereunder; and

3. Subscription Agreement C (a copy of Subscription Agreement C has been produced to the SGM and marked "C" for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved and confirmed; and any one of the Directors be and is hereby authorised to sign, execute, seal (where required) and deliver all such documents and take such action as he/she may deem necessary, desirable, expedient or appropriate in connection with or to implement or give effect to Subscription Agreement C and the transactions contemplated thereunder."

By order of the Board
Tesson Holdings Limited
Wei Mingren
Chairman

Hong Kong, 26 September 2025

Notes:

1. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her and vote on his/her behalf. A proxy need not be a member of the Company. A proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he/she/they represent as such member could exercise.

2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

3. The instrument appointing a proxy (if required by the Board) together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power of authority, must be delivered to the offices of the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

4. Delivery of an instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

5. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the registered office or the branch registrar of the Company (or such other place as may be specified for the delivery of the instruments of proxy in the notice convening the meeting) two (2) hours at least before the commencement of the meeting or adjourned meeting, or the taking of the poll, at which the instrument of proxy is used.

6. The register of members will be closed from 15 October 2025 to 20 October 2025 (both dates inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the aforesaid meeting, all transfer forms of shares accompanied by the relevant shares certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 14 October 2025.

7. If tropical cyclone warning signal number 8 or above or a "black" rainstorm warning or "extreme conditions caused by a super typhoons" announced by the Government of Hong Kong is/are in effect any time and remains in force 3 hours before the time of the above meetings, the meeting will be adjourned. The Company will post an announcement on the websites of Stock Exchange at www.hkexnews.hk and the Company at www.tessonholdings.com to notify shareholders of the date, time and place of the adjourned meeting.

As at the date of this notice, the Board comprises Mr. Wei Qingwen, Mr. Wei Mingren, Mr. Chan Wei and Ms. Yu Xiaolei as executive Directors, Dr. Ng Ka Wing, Mr. See Tak Wah and Mr. Wang Jinlin as independent non-executive Directors.