THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **Karrie International Holdings Limited**, you should at once hand this circular together with the enclosed proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale 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.

Karrie International Holdings Limited

嘉利國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1050)

(I) CONNECTED TRANSACTION: PROPOSED ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE; AND (II) NOTICE OF SPECIAL GENERAL MEETING

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

瑞城證券有限公司
Gransing Securities Co., Limited

The notice convening the special general meeting (the "**SGM**") of Karrie International Holdings Limited (the "**Company**") to be held at 1st Floor, Grand Ballroom Castfast Hotel, 12 Castfast Road, Guan Jing Tou, Feng Gang, Dongguan, Guangdong, PRC at 3:00 p.m. on Tuesday, 2 December 2025 is set out on pages 79 to 81 of this circular.

A proxy form for the SGM is also enclosed with this circular. Whether or not you are able to attend the SGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible, and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish.

* *For identification purpose only*

14 November 2025

CONTENTS

Page

Definitions 1

Letter from the Board 6

Letter from the Independent Board Committee 34

Letter from the Independent Financial Adviser 36

Appendix — Statutory and General Information 71

Notice of SGM 79

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

"2012 Share Option Scheme"	a share option scheme adopted by the Company on 24 August 2012
"2023 Share Option Scheme"	a share option scheme adopted by the Company on 30 August 2023
"Announcement"	the announcement of the Company dated 13 October 2025 in respect of the Subscription Agreement and the transactions contemplated thereunder
"associate"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"Bondholder(s)"	the holder(s) of the Convertible Bonds
"Business Day(s)"	any day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning No. 8 or above or a "black" rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
"CB Instrument"	the instrument to be executed by the Company on the Completion Date relating to Convertible Bonds of principal amount of not more than HK$150,000,000 in registered form and convertible into ordinary shares in the capital of the Company
"Company"	Karrie International Holdings Limited 嘉利國際控股有限公司*, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1050)

"Completion"	the completion of the issue and subscription of the Convertible Bonds
"Completion Date"	a day within three Business Days after the conditions of the Subscription are fulfilled and/or waived (or such other date as may be agreed between the parties to the Subscription Agreement)
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Conversion Price"	initially at HK$2.30 per Conversion Share, subject to adjustments and the terms and conditions of the Convertible Bonds
"Conversion Rights"	the rights attached to the Convertible Bonds to convert the Convertible Bonds to Conversion Shares at the Conversion Price
"Conversion Share(s)"	new Shares to be allotted and issued by the Company upon conversion of the Convertible Bonds
"Convertible Bonds"	the three-year 2.0% coupon unlisted convertible bonds in the principal amount of HK$150,000,000 to be issued by the Company in accordance with the terms of the Subscription Agreement
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China

"IFA", "Independent Financial Adviser" or "Gransing"	Gransing Securities Co., Limited, a corporation licensed to carry out business in Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Subscription and the transactions contemplated thereunder (including the grant of the Specific Mandate)
"Independent Board Committee"	an independent board committee comprising all the independent non-executive Directors, which has been established by the Board to advise the Independent Shareholders in respect of the Subscription and the transactions contemplated thereunder (including the grant of the Specific Mandate)
"Independent Shareholder(s)"	the Shareholders not required under the Listing Rules to abstain from voting on the resolution(s) approving the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate) at the SGM
"Independent Third Party(ies)"	any person or company and its ultimate beneficial owner(s), who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
"Issue Date"	the date of the CB Instrument
"Last Trading Day"	13 October 2025, being the date of the Announcement
"Latest Practicable Date"	7 November 2025, being the latest practicable date prior to the publication of this circular for ascertaining certain information for inclusion in it
"Listing Committee"	has the meaning ascribed to it in the Listing Rules

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	People's Republic of China, which for the purpose of this circular shall exclude Hong Kong, Taiwan and Macau Special Administrative Region of the PRC
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented and modified from time to time
"SGM"	the special general meeting of the Company to be convened and held by the Company to consider and, if thought fit, approve, among other things, the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate)
"Share(s)"	the ordinary share(s) of HK$0.1 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Share Options"	share options granted by the Company under the 2023 Share Option Scheme and the 2012 Share Option Scheme
"Specific Mandate"	the specific mandate for the allotment and issue of the Conversion Shares to be sought from the Independent Shareholders at the SGM
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscriber"	Mr. Ho Cheuk Fai
"Subscription"	the subscription of the Convertible Bonds by the Subscriber pursuant to the terms of the Subscription Agreement

"Subscription Agreement"	the conditional subscription agreement dated 13 October 2025 entered into between the Company and the Subscriber in respect of the Subscription
"Takeovers Code"	The Hong Kong Code on Takeovers and Mergers
"treasury shares"	has the meaning ascribed to it under the Listing Rules
"%"	per cent.

* *For identification purpose only*

Karrie International Holdings Limited
嘉利國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1050)

Executive Director:
Mr. Ho Cheuk Fai *(Chairman and Chief Executive Officer)*
Ms. Chan Ming Mui, Silvia
Mr. Zhao Kai
Mr. Chan Raymond
Mr. Ho Wai Hon, Brian *(Deputy Chairman)*

Independent Non-executive Directors:
Mr. Fong Hoi Shing
Dr. Lau Kin Wah
Mr. Lam Yin Shing, Donald

Registered office:
Clarendon House 2
Church Street Hamilton
HM11 Bermuda

Head Office and Principal Place of Business in Hong Kong:
9th Floor
Southeast Industrial Building
611–619 Castle Peak Road
Tsuen Wan
New Territories
Hong Kong

14 November 2025

To the Shareholders

Dear Sir or Madam,

(I) CONNECTED TRANSACTION: PROPOSED ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE; AND (II) NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

As disclosed in the Announcement, the Company entered into the Subscription Agreement with the Subscriber, namely Mr. Ho Cheuk Fai (a connected person of the Company) pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, the Convertible Bonds in the principal amount of HK$150,000,000.

* *For identification purposes only*

The Conversion Shares will be allotted and issued under the Specific Mandate. Completion is subject to, among other things, the Independent Shareholders' approval at the SGM and the listing approval to be granted by the Listing Committee. The purpose of this circular is to provide you with, among others, (i) further details of the Subscription Agreement involving the issue of the Convertible Bonds under the Specific Mandate to be sought at the SGM; (ii) a notice convening the SGM; and (iii) other information as required under the Listing Rules.

PROPOSED ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

The Subscription Agreement

On 13 October 2025 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber (a connected person of the Company) pursuant to which the Subscriber conditionally agreed to subscribe for, and the Company conditionally agreed to issue the Convertible Bonds in the principal amount of HK$150,000,000 under the Specific Mandate.

The Convertible Bonds carry the Conversion Rights to convert into the Conversion Shares at the Conversion Price of HK$2.30 per Conversion Share (subject to adjustments). The subscription amount payable for the Convertible Bonds under the Subscription Agreement shall be satisfied by the Subscriber in cash on the Completion Date.

The principal terms of the Subscription Agreement are summarised below:

Date

13 October 2025

Parties

(1) The Company, as issuer; and

(2) Mr. Ho Cheuk Fai, as subscriber

Subscription

The Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for, the Convertible Bonds in the principal amount of HK$150,000,000.

Subscription Price

The principal amount of the Convertible Bonds to be issued to the Subscriber shall be not more than HK$150,000,000 in cash on the Completion Date. The Subscription Price, being 100% of the principal amount of HK$150,000,000, is determined after arm's length negotiation between the Company and the Subscriber taking into account the Subscriber's own financial resources available.

Conditions precedent

The obligations of the Company and the Subscriber under the Subscription Agreement are conditional upon:

(i) all necessary consents and approvals, including the Board resolutions, required to be obtained on the part of the Company in respect of the Subscription Agreement and the transactions contemplated thereunder have been obtained;

(ii) the Listing Committee of the Stock Exchange granting the approval for the listing of and permission to deal in the Conversion Shares to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds, and such approval remains valid and effective;

(iii) the passing by the Independent Shareholders who are entitled to vote and not required to be abstained from voting under the Listing Rules at the SGM of the necessary resolution(s) to approve the Subscription Agreement and the transactions contemplated thereunder;

(iv) none of the warranties given by the Company under the Subscription Agreement having been breached in any material respect (or if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect; and

(v) none of the warranties given by the Subscriber under the Subscription Agreement having been breached in any material respect (or if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect.

The conditions set out in (i), (ii) and (iii) above are incapable of being waived. The Subscriber may at any time by notice in writing to the Company waive condition (iv) above. The Company may at any time by notice in writing to the Subscriber to waive condition (v). If any of the conditions precedent above are not fulfilled (or waived, as the case may be) on or before 19

December 2025, the Subscription Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Subscription Agreement save in respect of any antecedent breach of any obligation thereof.

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

Completion

Completion of the Subscription shall take place within three Business Days after the conditions precedent of the Subscription as set out above are fulfilled and/or waived (or such other date as may be agreed between the parties to the Subscription Agreement). The Subscriber shall pay the Subscription Price in full in cash to the Company by way of bank transfer on the Completion Date.

The Convertible Bonds

The principal terms of the Convertible Bonds to be issued under the Subscription Agreement are set out as follows:

Issuer:	The Company
Subscriber:	The Subscriber
Status:	The Convertible Bonds constitute direct, unconditional, unsubordinated, unguaranteed and unsecured obligations of the Company and shall at all times rank *pari passu* with all other present and future unsecured, unguaranteed and unsubordinated obligations of the Company.
Principal amount:	HK$150,000,000
Subscription Price:	100% of the principal amount of HK$150,000,000 in cash
Coupon:	2.0% per annum payable in every six calendar months
Maturity Date:	The third anniversary of the date of issue of the Convertible Bonds or any such other date as mutually agreed to in writing between, and shortened or extended by, the Company and the Bondholder (the "**Maturity Date**").

Conversion Price: The Convertible Bonds shall be converted at the Conversion Price. Upon issue of the Convertible Bonds, the initial Conversion Price will be HK$2.30 per Conversion Share.

The initial Conversion Price per Conversion Share for the Convertible Bonds is subject to adjustments in each of the following adjustment events:

(a) Consolidation or sub-division of the Shares

If and whenever the Shares by reason of any consolidation or sub-division, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the number of Shares in issue immediately before such alteration and dividing the result by the number of Shares in issue immediately after such alteration.

Each such adjustment shall be effective from the close of business in Hong Kong on the day immediately preceding the date on which the consolidation or sub-division becomes effective.

(b) Capitalisation of profits or reserves

If and whenever the Company shall issue (other than in lieu of a cash dividend) any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund), the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the following fraction:

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

where:

A = the aggregate number of the Shares in issue immediately before such issue; and

B = the aggregate number of the Shares to be issued in connection with and as a result of such capitalisation. Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for such issue.

Provided that if the relevant issue of Shares is made as part of an arrangement involving a reduction of capital, the Conversion Price shall be adjusted in such manner as an approved merchant bank or auditors shall certify to be appropriate, having regard to the relative interests of the persons affected thereby taken as a whole and such other matters as the approved merchant bank shall consider relevant.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day following the record date for such issue.

(c) Capital distribution

If and whenever the Company shall make any capital distribution to the Shareholders (in their capacity as such) (whether on a reduction of capital or otherwise) or shall grant to such Shareholders rights to acquire for cash assets of the Company or any of its subsidiaries, the Conversion Price in force immediately prior to such distribution or grant shall be reduced by multiplying it by the following fraction:

$$\frac{C\text{-}D}{D}$$

where:

C = the market price on the date on which the capital distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) the next preceding day of the capital distribution or, as the case may be, of the grant; and

D = the fair market value on the day of such announcement or (as the case may require) the next preceding day, as determined in good faith by an approved merchant bank or auditors, of the portion of the capital distribution or of such right which is attributable to one Share. For avoidance of doubt, if the capital distribution is distributions in cash the fair market value shall be the cash value and determination by the independent auditors is not required.

Provided that (aa) if in the opinion of the relevant approved merchant bank or auditors, the use of the fair market value as aforesaid produces a result which is significantly inequitable, it may instead determine (and in such event the above formula shall be construed as if D meant) the amount of the said market price which should properly be attributed to the value of the capital distribution or rights; and (bb) the provisions of this paragraph (c) shall not apply in relation to the issue of Shares paid out of profits or reserves and issued in lieu of a cash dividend.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day following the record date for the capital distribution or grant.

(d) Issue of Shares for subscription by way of rights

If and whenever the Company shall offer to Shareholders new Shares for subscription by way of rights, or shall grant to Shareholders any options or warrants to subscribe for new Shares, at a price which is less than 95% of the market price on the date of the announcement of the terms of the offer or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate of the amount (if any) payable for the rights, options or warrants and of the amount payable for the total number of new Shares comprised therein would purchase at such market price per share and the denominator is the number of Shares in issue immediately before the date of such announcement plus the aggregate number of Shares offered for subscription or comprised in the options or warrants.

Such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for the offer or grant.

Provided however that no such adjustment shall be made if the Company shall make a like offer or grant (as the case may be) at the same time to the Bondholder (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong) as if it had exercised the Conversion Rights under the Convertible Bonds registered in its name in full on the day immediately preceding the record date for such offer or grant.

(e) (aa) Issue of convertible or exchangeable securities

If and whenever the Company shall issue wholly for cash or for reduction of liabilities any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares, and the total effective consideration per Share (as defined in this paragraph (e) below) initially receivable for such securities is less than 95% of the market price on the date of the announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by a fraction of which the numerator is the number of Shares in issue immediately before the date of the issue plus the number of Shares which the total effective consideration receivable or for reduction of liabilities for the securities issued would purchase at such market price per Share and the denominator is the number of Shares in issue immediately before the date of the issue plus the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the conversion or exchange rate or subscription price.

Such adjustment shall become effective (if appropriate retroactively) from the close of business in Hong Kong on the Business Day next preceding the date on which the issue is announced.

(bb) Modification of rights of convertible or exchangeable securities

If and whenever the rights of conversion or exchange or subscription attached to any such securities as are mentioned in section (aa) of this sub-paragraph (e) are modified so that the total effective consideration per Share (as defined below) initially receivable for such securities shall be less than 95% of the market price on the date of announcement of the proposal to modify such rights of conversion or exchange or subscription, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by a fraction of which the numerator is the number of Shares in issue immediately before the date of such modification plus the number of Shares which the total effective consideration receivable for the securities issued at the modified conversion or exchange price would purchase at such market price and of which the denominator is the number of Shares in issue immediately before such date of modification plus the number of Shares to be issued upon conversion or exchange of or the exercise of the subscription rights conferred by such securities at the modified conversion or exchange rate or subscription price.

Such adjustment shall become effective as at the date upon which such modification shall take effect. A right of conversion or exchange or subscription shall not be treated as modified for the foregoing purposes where it is adjusted to take account of rights or capitalisation issues and other events normally giving rise to adjustment of conversion or exchange terms.

For the purposes of this paragraph (e), the "**total effective consideration**" receivable for the securities issued shall be deemed to be the consideration receivable by the Company (or in the case of reduction of liabilities, the amount of liabilities to be reduced) for any such securities plus the additional minimum consideration (if any) to be received by the Company upon (and assuming) the conversion or exchange thereof or the exercise of such subscription rights, and the total effective consideration per Share initially receivable for such securities shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) such conversion or exchange at the conversion or exchange rate or the exercise of such subscription rights at the initial subscription price, in each case without any deduction for any commissions, discounts or expenses paid, allowed or incurred in connection with the issue.

(f) Issue of Shares being made wholly for cash or for reduction of liabilities at a price less than 95% of the market price per Share

If and whenever the Company shall issue wholly for cash or for reduction of liabilities any Shares at a price per Share which is less than 95% of the market price on the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate amount payable for the issue or for reduction of liabilities would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares so issued.

Such adjustment shall become effective (if appropriate retroactively) from the close of business in Hong Kong on the Business Day next preceding the date on which the issue is announced.

(g) Issue of Shares for the acquisition of asset

If and whenever the Company shall issue Shares for the acquisition of asset at a total effective consideration per Share (as defined in this paragraph (g) below) which is less than 95% of the market price on the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying it by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the Total Effective Consideration would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares so issued. Each such adjustment shall be effective (if appropriate retroactively) from the close of business in Hong Kong on the Business Day next preceding the date on which the issue is announced.

For the purpose of this paragraph (g) "**total effective consideration**" shall be the fair value of the asset(s) to be acquired, such value to be determined by a professional independent third party valuer or the auditors of the Company or an approved merchant bank.

(h) Issue of convertible securities for acquisition of asset

If and whenever the Company shall issue any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares for the acquisition of asset at a total effective consideration (as defined below) per Share initially receivable for such securities is less than 95% of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying it by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the total effective consideration would purchase at the market price and the denominator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the initial conversion or exchange rate or subscription price.

Such adjustment shall become effective (if appropriate retrospectively) from the close of business in Hong Kong on the Business Day next preceding the date on which the Company determines the conversion or exchange rate or subscription price.

For the purpose of this paragraph (h), "**total effective consideration**" shall be the fair value of the asset(s) to be acquired, such value to be determined by a professional independent third party valuer or the auditors of the Company or an approved merchant bank.

Conversion Rights: The holder of the Convertible Bonds shall have the right to convert their Convertible Bonds at the principal amount into Shares during the Conversion Period at the Conversion Price in effect on the conversion date (as defined in the CB Instrument), provided that (i) any conversion of the Convertible Bonds does not result in the holders of the Convertible Bonds and/or the parties acting in concert with any of them and/or their respective associates being interested in such percentage as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer obligation under Rule 26 of the Takeovers Code on the part of the holder of the Convertible Bonds which exercised the conversion rights; and (ii) any conversion of the Convertible Bonds does not result in the public float of the Shares being less than 25% (or any given percentage as required by the Listing Rules) of the issued Shares of the Company.

Conversion Period: The holder of the Convertible Bonds will have the right to convert the whole or part of the principal amount of the Convertible Bonds into Conversion Shares from the date of issue of the Convertible Bonds (the "**Issue Date**") up to and including the date which is three (3) days prior to the Maturity Date (or if the Maturity Date is not a Business Day, the Business Day immediately preceding the Maturity Date).

Redemption Amount: The Company shall, on the Maturity Date, redeem the then outstanding Convertible Bonds, at 100% of the then outstanding principal amount of those Convertible Bonds or any part thereof together with outstanding interest accrued thereon.

Early redemption at the option of the Company: The Company shall have the right at its option to redeem all (but not part of) the outstanding Convertible Bonds in an amount equivalent to 100% of the principal amount of such outstanding Convertible Bonds together with any then outstanding unpaid interest by giving not less than seven (7) days' notice to the Bondholder in accordance with the terms of the CB Instrument at any time following the Issue Date up to and including the date falling seven (7) days immediately preceding the Maturity Date.

Voting: The Bondholder shall not be entitled to attend or vote at any meetings of the Company by reason only of it being a holder of the Convertible Bonds.

Listing: No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange. Application will be made to the Stock Exchange for the listing of and permission to deal in the Conversion Shares to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds.

Transferability: The Convertible Bonds may be assigned or transferred to any transferee subject to prior notification to the Company. The Convertible Bonds may not be assigned or transferred to any connected person of the Company (as defined under the Listing Rules) without prior written consent of the Company.

Security: The obligations of the Company under the Convertible Bonds are unsecured.

Conversion Shares

Assuming full conversion of the Convertible Bonds at the Conversion Price of HK$2.30 per Conversion Share (subject to adjustments), a maximum number of 65,217,391 Conversion Shares will be allotted and issued, representing approximately 3.23% of the issued share capital of the Company (excluding treasury shares) as at the Latest Practicable Date and approximately 3.13% of the issued share capital of the Company (excluding treasury shares) as enlarged by the allotment and issue of the Conversion Shares (assuming that there will be no change in the issued share capital of the Company from the Latest Practicable Date and up to conversion of the Convertible Bonds in full at the initial Conversion Price). The Conversion Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought from the Independent Shareholders at the SGM.

The Conversion Shares will rank *pari passu* in all respects with the Shares in issue as at the date of allotment and issue of the Conversion Shares.

Conversion Price

The initial Conversion Price of HK$2.30 per Conversion Share represents:

(a) a discount of approximately 7.26% over the closing price of HK$2.48 per Share as quoted on the Stock Exchange on 13 October 2025, being the date of the Subscription Agreement;

(b) a discount of approximately 15.57% over the average closing price of HK$2.724 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately preceding 13 October 2025, being the date of the Subscription Agreement;

(c) a discount of approximately 9.66% over the average closing price of approximately HK$2.546 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to the date of the Subscription Agreement;

(d) a premium of approximately 18.99% over the average closing price of approximately HK$1.933 per Share as quoted on the Stock Exchange for the thirty (30) consecutive trading days immediately prior to the date of the Subscription Agreement;

(e) a premium of approximately 330.71% over the Company's net asset value per Share of approximately HK$0.534 calculated based on the audited consolidated net assets of the Company of HK$1,078,784,000 as at 31 March 2025 and 2,021,463,200 Shares in issue as at the Latest Practicable Date;

(f) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 0.49%, represented by the theoretical diluted price (as defined under Rule 7.27B of the Listing Rules) of approximately HK$2.711 per Share, to the benchmarked price of HK$2.724 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (a) the closing price of HK$2.48 per Share on the Last Trading Day and (b) the average closing price of HK$2.724 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately preceding the Last Trading Day); and

(g) a premium of approximately 12.55% over the closing price of HK$2.63 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The net Conversion Price, after deduction of relevant expenses, is approximately HK$2.296 per Conversion Share. The initial Conversion Price was arrived at after arm's length negotiations between the Company and the Subscriber, taking into account of, among others, (i) the existing capital market conditions in Hong Kong; and (ii) the recent trading performance of the Shares. In particular, the Board reviewed the historical closing price of the Shares in the past two months immediately preceding to the date of the Subscription Agreement and noted that after reaching a peak of HK$2.23 per Share on 16 September 2025, the closing price of the Shares began to decline slightly, and the closing price of the Shares reached HK$2.48 after the Group issued a voluntary announcement in respect of the business updates in relation to Nvidia supply chain. Accordingly, the Conversion Price of HK$2.30 per Conversion Share is within the aforesaid price range of the Shares. The Conversion Price represents a discount to the closing price of the Shares on the date of the Subscription Agreement and the average closing prices of the Shares on the last five trading

days and ten trading days immediately preceding the date of the Subscription Agreement taking into account that (i) despite the prevailing positive market sentiment of the Hong Kong stock market, the Hong Kong stock market remains to be subject to the Sino-US tension to a large extent, which casts uncertainty as to the prevailing market condition from time to time; and (ii) the Company and the Subscriber have agreed at a lower interest rate of 2.0% per annum which would, in turn, alleviate the future interest burden of the Company. The Directors consider that the Conversion Price and the terms and conditions of the Subscription Agreement and the Convertible Bonds are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors (excluding Mr. Ho Cheuk Fai, the Subscriber, and Mr. Ho Wai Hon, Brian, the son of Mr. Ho Cheuk Fai, who had abstained from voting due to conflict of interests) consider that the Conversion Price is fair and reasonable and is in the interests of the Shareholders as a whole.

Coupon rate

The Board has considered interest rates of recently issued convertible securities (the "**Comparable Securities**") with interest rates ranging from nil to 5.00% per annum, which were determined within the past six months immediately preceding the date of the Subscription Agreement, and thus were conducted under similar market conditions and sentiment as the present proposed issue of the Convertible Bonds. The average interest rate of the Comparable Securities is approximately 2.55% per annum. The coupon rate of the Convertible Bonds, being 2.0% is therefore within the range and slightly lower than the average of the Comparable Securities. As mentioned above, the coupon rate of the Convertible Bonds is slightly lower than the aforesaid range as agreed between the Company and the Subscriber to mitigate the future interest expenses of the Company. As such, the Board is of the view that the coupon rate of the Convertible Bonds is fair and reasonable and no less favourable to the Company when compared to the market interest for similar securities.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to the terms of the Convertible Bonds, the Conversion Rights are restricted by, among others, the public float requirement under the Listing Rules. In other words, the Subscriber may only convert such number of Convertible Bonds into Shares which would not cause the Company to not comply with the public float requirement under the Listing Rules following such conversion.

Prior to the exercise of the Conversion Rights, the Subscriber shall deliver a written conversion notice to the Company setting out the principal amount of Convertible Bonds to be converted into Conversion Shares. Having taken into account the Conversion Price as adjusted by the occurrence of triggering events as mentioned above (if any), if the issue of the Conversion

Shares pursuant to the exercise of the Conversion Rights by the Subscriber would result in the Company to not comply with the minimum public float requirement under the Listing Rules, then the Company shall not allow the Subscriber to exercise such Conversion Rights so as to maintain the minimum public float requirement, and such conversion notice shall be void accordingly.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purposes only, set out below the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after full conversion of all the Convertible Bonds (assuming there being no other issue or repurchase of Shares and no change in the issued share capital of the Company other than the issue of the Conversion Shares):

	As at the Latest Practicable Date		**Immediately upon full conversion of the Convertible Bonds**	
	Number of Shares	**Approximate percentage of total issued Shares[(1)]**	**Number of Shares**	**Approximate percentage of total issued Shares[(1)]**
Ms. Chan Ming Mui, Silvia[(2)]	6,700,000	0.33%	6,700,000	0.32%
Mr. Zhao Kai[(3)]	11,382,000	0.56%	11,382,000	0.55%
Mr. Chan Raymond[(4)]	4,752,000	0.24%	4,752,000	0.23%
Mr. Ho Wai Hon, Brian[(5)]	3,298,000	0.16%	3,298,000	0.16%
Mr. Fong Hoi Shing[(6)]	42,000	0.00%	42,000	0.00%
The Subscriber[(7)]	1,466,670,000	72.56%	1,531,887,391	73.41%
Public Shareholders	528,619,200	26.15%	528,619,200	25.33%
Total	2,021,463,200	100.00%	2,086,680,591	100.00%

Notes:

(1) Certain amounts and percentage figures included in the table above have been subject to rounding adjustments, and any discrepancy between the total amount and the arithmetical sum of the amounts listed is due to rounding.

(2) Ms. Chan Ming Mui, Silvia, an executive Director, beneficially owns 6,700,000 Shares, and is interested in 5,000,000 share options granted to her under the 2023 Share Option Scheme, which remain unvested as at the Latest Practicable Date.

(3) Mr. Zhao Kai, an executive Director, beneficially owns 11,382,000 Shares, and is interested in 5,000,000 share options granted to him under the 2023 Share Option Scheme, which remain unvested as at the Latest Practicable Date.

(4) Mr. Chan Raymond, an executive Director, beneficially owns 4,752,000 Shares, and is interested in 5,000,000 share options granted to him under the 2023 Share Option Scheme, which remain unvested as at the Latest Practicable Date.

(5) Mr. Ho Wai Hon, Brian, an executive Director, beneficially owns 3,298,000 Shares and is interested in 1,500,000 share options granted to him under the 2023 Share Option Scheme, which remain unvested as at the Latest Practicable Date.

(6) Mr. Fong Hoi Shing, an independent non-executive Director, beneficially owns 42,000 Shares.

(7) The 1,466,670,000 Shares that the Subscriber, namely Mr. Ho Cheuk Fai, is interested in comprise (i) 278,712,000 Shares beneficially held by him; (ii) 487,608,000 Shares held by New Sense Enterprises Limited ("**New Sense**"); (iii) 330,000,000 Shares held by Castfast Properties Development Co., Limited ("**Castfast Properties**"), 87% of the issued share capital of which is beneficially owned by Honford Investments Limited ("**Honford Investments**"), where New Sense and Honford Investments are each wholly-owned by TMF (B.V.I.) Ltd. as trustee for a discretionary trust, which is a family trust with Mr. Ho Cheuk Fai as settlor ("**The Ho Family Trust**"); (iv) 260,000,000 Shares held by The Wedding City Co., Limited ("**The Wedding City**"), which is held as to 90% and 10% by Mr. Ho Cheuk Fai and Ms. Ho Po Chu, respectively. By virtue of the SFO, Mr. Ho Cheuk Fai is deemed to be interested in the 817,608,000 Shares in aggregate held by New Sense and Castfast Properties as founder of The Ho Family Trust and in the 260,000,000 Shares through The Wedding City; and (v) Ms. Ho Po Chu is the spouse of Mr. Ho Cheuk Fai, he is therefore deemed to be interested in the 110,350,000 Shares beneficially held by Ms. Ho Po Chu by virtue of the SFO.

DILUTION AND FINANCIAL EFFECTS OF THE ISSUE OF THE CONVERTIBLE BONDS

For illustration purposes only and subject to the minimum public float requirement of the Listing Rules and the relevant restrictions under the Subscription Agreement, upon full conversion of the Convertible Bonds at the Conversion Price, the Convertible Bonds will be convertible into 65,217,391 new Shares, representing approximately 3.23% of the total number of issued Shares (excluding treasury shares) and approximately 3.13% of the total number of issued Shares (excluding treasury shares) as enlarged by the allotment and issue of the Conversion Shares as at the Latest Practicable Date.

Assuming no outstanding Share Options being exercised and that there is no change in the number of issued Shares from the Latest Practicable Date up to the date when the Conversion Rights are exercised in full, the existing shareholding of the Independent Shareholders will be diluted from approximately 26.15% before full conversion of the Convertible Bonds to approximately 25.33% immediately after full conversion of the Convertible Bonds.

In view of (i) the reasons for and benefits of entering into the Subscription Agreement as set out below; (ii) the terms of the Subscription Agreement and the Convertible Bonds being fair and reasonable and in the interests of the Shareholders as a whole; and (iii) the minimum public float requirement of the Listing Rules and relevant restrictions under the Subscription Agreement, the

Board is of the view that the extent of dilution (subject to the minimum public float requirement of the Listing Rules and the relevant restrictions under the Subscription Agreement) to the shareholding interests of the Independent Shareholders is acceptable.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

MANDATE TO ISSUE THE CONVERSION SHARES

The allotment and issue of the Conversion Shares under the Specific Mandate are subject to the approval of the Independent Shareholders at the SGM.

OTHER FUND RAISING METHODS

The Board has considered other fund raising alternatives before resorting to the proposed issue of the Convertible Bonds, including but not limited to debt financing and equity financing. However, the Board is of the view that external debt financing, such as bank borrowing, will incur relatively high finance costs for the Company in view of the substantial principal amount of the Convertible Bonds to be issued, which may have negative impact on the Group's financial position. In addition, banks will usually request the Company to provide sufficient appropriate collaterals to secure the loan facilities applied for. With respect to equity financing alternatives (such as placing of new Shares, rights issue and open offer), the Board considers that placing will usually be conducted on a best-effort basis, rendering the outcome and the exact amount of proceeds to be raised from such placing exercise being uncertain and subject to market condition. Besides, rights issue or open offer will involve the issue of listing documents with other application and administrative procedures involving the public Shareholders which may require relatively longer time and incur additional administrative costs as compared to the issue of the Convertible Bonds. Furthermore, equity financing alternatives will result in an immediate dilution effect on the shareholding of the existing Shareholders. On the other hand, the Directors consider that the issue of the Convertible Bonds is an effective means of raising additional capital since (i) it will not have an immediate dilution effect on the shareholding of the existing Shareholders; and (ii) in the event that the Convertible Bonds are converted into Shares, the Company can broaden its capital base, benefiting the long-term development of the Company.

In view of the restrictions of the alternative fund raising methods as discussed above, the Board is of the view that the issue of the Convertible Bonds is the most feasible and favourable option for the Company to improve its short-term liquidity position so as to deal with the funding

needs of the Company as compared to the alternative fund raising methods and avoid immediate dilution effect on the shareholding of the Independent Shareholders although the Group may still have a relatively high gearing ratio in the short run.

INFORMATION OF THE PARTIES TO THE SUBSCRIPTION AGREEMENT

Information on the Company

The Company is an investment holding company and its subsidiaries are principally engaged in metal and plastic business and electronic manufacturing services business.

Information on the Subscriber

The Subscriber is Mr. Ho Cheuk Fai. As at the Latest Practicable Date, the Subscriber is an executive Director, the chairman and the chief executive officer of the Company. As at the Latest Practicable Date, Mr. Ho Cheuk Fai is interested in approximately 72.56% of the Shares in issue of the Company through his personal interests, family interests and corporate/other interests and is therefore a controlling shareholder of the Company. Accordingly, the Subscriber is a connected person of the Company under the Listing Rules.

REASONS FOR AND BENEFITS FROM THE SUBSCRIPTION AND THE PROPOSED ISSUE OF CONVERTIBLE BONDS AND USE OF PROCEEDS

The Group is principally engaged in metal and plastic business and electronic manufacturing services business.

The Subscriber's interest in making an investment into the Group reflects its confidence in the Group's business and growth potential. The Directors (including the independent non-executive Directors) are of the view that the raising of funds by the issue of the Convertible Bonds will enhance the Group's capital structure and liquidity, strengthen the Group's financial position, broaden the capital base of the Group and to finance the Group's production capacity expansion in Thailand to better serve the increasing demand from the AI server market.

The gross proceeds and the net proceeds (the "**Net Proceeds**") of the Subscription are approximately HK$150,000,000 and HK$149,750,000, respectively. The Company intends to utilise the Net Proceeds to expand its production capacity overseas for production of server chassis and related peripheral products to further develop its existing business segment, namely metal and plastic business, through various means, including but not limited to, purchasing new machinery such as machinery for sharping, assembly and painting, constructing its own factories in Thailand, and carrying out acquisition and merger in overseas market in order to meet the increasing orders

for the Group's AI server chassis and rack components from global tier cloud service providers (CSP) and the world leading AI infrastructure companies. It is currently estimated that the Group will have to substantially increase its existing production capacity for its metal and plastic business segment by approximately 80% in order to fulfil the orders on hand in this regard.

Set forth below is the breakdown of the intended use of the Net Proceeds:

Intended use of net proceeds	**Corresponding business segment involved**	**Estimated sum of investment required** ***(Approximate HK$'000)***	**Percentage of allocation** ***(Approximate)***	**Allocation of the Net Proceeds allocated** ***(Approximate HK$'000)***	**Expected time of utilisation of the Net Proceeds allocated**
Purchasing new machinery and equipment for existing and new production plants in Thailand *(Note i)*	Metal and plastic business	300,000	53.42%	80,000	By the first quarter of 2026
Constructing its own factories in Thailand*(Note ii)*	Metal and plastic business	100,000	36.58%	54,775	By the first quarter of 2026
Carrying out acquisition and merger*(Note iii)*	Metal and plastic business	50,000	10.00%	14,975	By the first half of 2026
Total		450,000	**100.00%**	**149,750**	

Notes:

(i) The new machinery and equipment to be acquired would be deployed to the four major production workflows as follows:

(a) Server assembly and stamping: Assembly lines, automatic optical inspection machines, automatic feeding machines, stamping presses and other ancillary equipment, such as laser engraving machines, printers, etc.;

(b) Stamping and computer numerical control (CNC): Stamping presses, automatic feeding machines, automatic optical inspection machines, slitting and cutting machines, CNC bending machines and other ancillary equipment, such as wire electrical discharge machines, hydraulic presses, etc.;

(c) Painting: Cleaning line, powder coating lines and other ancillary equipment, such as coating thickness gauge, air compressor, etc.; and

(d) Tooling: Wire cutting machines, CNC machines, large water milling machines and other ancillary equipment, such as small surface grinders, etc.

The expected capital expenditure investments in purchasing new machinery and equipment for each of the workflows above are estimated based on the prevailing market prices of those relevant machines and systems of similar sizes, types and models available in the open market.

(ii) The new production plants would comprise four blocks of production and supporting functions or facilities, namely (a) numerical control turret punch (NCT) and painting; (b) plastic injection, molding and assembly; (c) warehouse and electrical room; (d) chemical hazard storage facility. The expected construction costs for the new production plants are estimated based on the Company's previous experience of renovating its current leased factory in Thailand with references to the prevailing market prices of construction works of similar scale and structures.

(iii) The Company intends to acquire companies possessing high-tech metal production capabilities, such as metal die-casting, in the first half of 2026 to expand and enhance the production capacity for AI servers as part of its metal and plastic business. As at the Latest Practicable Date, the Company had yet to identify any suitable acquisition targets. In the event the Company is unable to identify suitable acquisition targets by the end of the first half of 2026, the Company will re-allocate the Net Proceeds originally allocated for this purposes to further additional machinery to further expand its production capacity as mentioned above.

While the Group has maintained a stable and healthy liquidity position with cash at bank and in hand of approximately HK$118.52 million and deposits with banks with three months or less to maturity when placed of approximately HK$72.66 million as at 31 March 2025, the Group's debt has increased primarily due to the large-scale capital expenditures required for the construction of production plants in Thailand as part of its key strategies to expand its overseas production capacity as mentioned in the annual report of the Company for the year ended 31 March 2025 (the "**2024/25 Annual Report**"). The Group's bank borrowings due within one year increased from approximately HK$333.8 million as at 31 March 2024 to approximately HK$381.7 million as at 31 March 2025. Bank borrowings denominated in THB increased from approximately HK$18.90 million as at 31 March 2024 to approximately HK$63.25 million as at 31 March 2025, representing an increase of approximately HK$44.35 million or 234.66%. The Group's net gearing ratios also increased from approximately 39% as at 31 March 2024 to approximately 43% as at 31 March 2025, which was primarily attributable to the increase in total bank borrowings during the year ended 31 March 2025 as stated in the 2024/25 Annual Report. As demonstrated above, the estimated total amount of investments required for the above intended use of the Net Proceeds for the next 12 months is at least approximately HK$450 million, and thus the current bank and cash balances of the Group, taking into account the finance costs incurred/ to be incurred in respect of the Group's bank borrowings, are insufficient to meet the abovementioned estimated sum of investments required. In order to meet the increasing orders for the Group's products as mentioned above and capture the rising global server demand from customers of the technology and AI

market, taking into account the initial significant capital investments required for production capacity expansion, the Board believes that it is imminent for the Group to obtain funds so as to capitalise on the aforesaid market opportunities in a timely manner.

In view of the said imminent funding needs of the Group, the Company has approached certain financial institutions to gauge the market sentiment of the Group's prospect and business operation and to explore the opportunities and options of fund raising. Taking into account of the proposed terms of these fund raising activities, with reference to the considerations as set out in the section headed "Other Fund Raising Methods" above, the Company is of the view that the present terms of the Subscription Agreement are the most favourable among the other options as mentioned in the section headed "Other Fund Raising Methods" above that the Company has considered, especially given the rather timely cash inflow without time-consuming negotiation with other third parties and the low interest rate of the Convertible Bonds without significant dilution of the interest of the Shareholders. Whilst the Company has initial intention to conduct equity fund raising activities, including but not limited to, placing of new Shares, in the next 12 months subject to the favourable negotiation with potential placing agents under suitable terms in the interest of the Company and the Shareholders as a whole, the Company had not entered into any agreements or documents with any parties (including any potential placing agents) to conduct any fund raising activities as at the Latest Practicable Date. As confirmed by the Subscriber, the Subscriber had no firm intention to exercise the Conversion Rights as at the Latest Practicable Date, and the Subscriber shall, subject to the terms and conditions of the CB Instrument, exercise all or part of the Conversion Rights as and when appropriate taking into account (i) the Share price by then; (ii) the Company's ability to redeem the Convertible Bonds; and (iii) the public float of the Company by then.

The Directors (including the independent non-executive Directors whose views are set out in the letter from the Independent Board Committee, but excluding Mr. Ho Cheuk Fai (the Subscriber) and Mr. Ho Wai Hon, Brian (the son of Mr. Ho Cheuk Fai) who had abstained from voting at the Board meeting due to conflict of interest) consider that the terms of the Subscription Agreement are on normal commercial terms and the issue of the Convertible Bonds are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Subscriber, namely Mr. Ho Cheuk Fai, is a connected person of the Company by virtue of being an executive Director, the chairman, and the chief executive officer of the Company, and a controlling shareholder. Accordingly, the Subscription constitutes a connected transaction of the Company and is subject to the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Ho Cheuk Fai and his son, Ho Wai Hon, Brian, were required to abstain from voting on the resolutions passed by the Board to approve the Subscription and the transactions contemplated thereunder (including the grant of the Specific Mandate).

An application will be made to the Stock Exchange for its approval for the listing of, and permission to deal in the Conversion Shares pursuant to the terms and conditions of the Convertible Bonds.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee has been established, comprising all the independent non-executive Directors, to advise the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder, including but not limited to the issue of the Convertible Bonds, the allotment and issue of the Conversion Shares, and the grant of the Specific Mandate. Gransing has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

SPECIAL GENERAL MEETING

The SGM will be held by the Company at 1st Floor, Grand Ballroom Castfast Hotel, 12 Castfast Road, Guan Jing Tou, Feng Gang, Dongguan, Guangdong, PRC at 3:00 p.m. on Tuesday, 2 December 2025, to consider and if thought fit, to approve, among other things, the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate).

The Subscriber and his associates shall abstain from voting on the resolutions approving the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate) at the SGM. As at the Latest Practicable Date, to the best of the Directors' information, belief and knowledge, having made all reasonable enquiry, save for the Subscriber, namely Mr. Ho Cheuk Fai, an executive Director, the chairman and the chief executive officer of the Company, and a controlling shareholder, and his associates, namely, Mr. Ho Wai Hon, Brian, an executive Director and the son of Mr. Ho Cheuk Fai, and Ms. Ho Po Chu, the spouse of Mr. Ho Cheuk Fai, no other Shareholders have any material interest in the Subscription and the grant of the Specific Mandate. As at the Latest Practicable Date, Mr. Ho Cheuk Fai, Mr. Ho Wai Hon, Brian and Ms. Ho Po Chu (including their personal interests, family interests and corporate/other interests) are interested in approximately 72.56%, 0.16% and 72.56% of the Shares in issue of the Company, respectively, and thus are required to abstain from voting on the resolutions to be proposed at the SGM.

Save as disclosed above and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, no other Shareholder and/or associate thereof has a material interest in the Subscription Agreement or the transactions contemplated thereunder (including the grant of the Specific Mandate), and thus, no other Shareholders and/or associates thereof is required to abstain from voting on the resolutions to be proposed at the SGM.

The notice of the SGM is set out on pages 79 to 81 of this circular.

PROXY ARRANGEMENT

The form of proxy for use at the SGM is enclosed with this circular. Such form of proxy is also published on the website of the Stock Exchange and the website of the Company. For those who intend to direct a proxy to attend the SGM, please complete the form of proxy and return the same in accordance with the instructions printed thereon. In order to be valid, the above documents must be delivered to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the SGM or any resumed session.

You are urged to complete and return the form of proxy whether or not you intend to attend the SGM. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM (or any subsequent meetings following the adjournments thereof) should you wish to do so.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 28 November 2025 to Tuesday, 2 December 2025 (both days inclusive), during which time no share transfers will be effected. In order to qualify for attending and voting at the SGM (or any adjournment thereof), all transfers of shares of the Company accompanied by the relevant share certificates(s) must be lodged with the Company's branch share registrar in Hong Kong at the above address by no later than 4:30 p.m. on Thursday, 27 November 2025. The Shareholders whose names appear on the register of members of the Company on Tuesday, 2 December 2025 are entitled to attend and vote in respect of the resolution to be proposed at the SGM.

RECOMMENDATION

The Independent Board Committee, having considered the advice from IFA, considers that (i) the terms of the Subscription Agreement are fair and reasonable; (ii) the terms of the Subscription Agreement are on normal commercial terms; and (iii) the Subscription Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee has recommended the Independent Shareholders to vote in favour of the resolutions in respect of the Subscription Agreement to be proposed at the SGM.

The Directors (excluding Mr. Ho Cheuk Fai (the Subscriber) and Mr. Ho Wai Hon, Brian (the son of Mr. Ho Cheuk Fai) who had abstained from voting at the Board meeting due to conflict of interest) consider the terms of the Subscription Agreement are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (excluding Mr. Ho Cheuk Fai and Mr. Ho Wai Hon, Brian) recommend the Independent Shareholders to vote in favour of the resolution in respect of the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate) to be proposed at the SGM.

Your attention is also drawn to the recommendation of the Independent Board Committee is set out on pages 34 to 35 in this circular and the letter from IFA is set out on pages 36 to 70 in this circular.

VOTE BY POLL

In accordance with Rule 13.39(4) of the Listing Rules and the Bye-laws of the Company, all the votes at the SGM must be taken by poll. The Company will appoint scrutineers to handle vote-taking procedures at the SGM. An announcement on the poll results will be published by the Company after the SGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the appendix to this circular.

By Order of the Board
Karrie International Holdings Limited
Ho Wai Hon, Brian
Deputy Chairman

Karrie International Holdings Limited
嘉利國際控股有限公司 *
(Incorporated in Bermuda with limited liability)
(Stock Code: 1050)

14 November 2025

To the Shareholders

Dear Sirs or Madam,

CONNECTED TRANSACTION: PROPOSED ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

We refer to the circular of the Company dated 14 November 2025 (the "**Circular**"), of which this letter forms part. Unless otherwise indicated, capitalised terms used herein shall have the same meanings as those defined in the Circular.

The Independent Board Committee has been formed to consider and advise you in respect of the Subscription and the transactions contemplated thereunder (including the grant of the Specific Mandate), details of which are set out in the "Letter from the Board" contained in the Circular. Gransing has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. The text of the letter of advice from the IFA containing its recommendations and the principal factors and reasons in which the IFA has taken into consideration in arriving at its recommendations is set out on pages 36 to 70 of the Circular.

Having considered the Subscription and the transactions contemplated thereunder (including the grant of the Specific Mandate), and after taking into account the principal factors and reasons and the advice of IFA as set out in the "Letter from IFA", contained in the Circular, we consider that the Subscription and the transactions contemplated thereunder (including the grant of the

* *For identification purposes only*

Specific Mandate), though not in the ordinary and usual course of business of the Group, are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned 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 resolutions to be proposed at the SGM in respect of the Subscription and the transactions contemplated thereunder (including the grant of the Specific Mandate).

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

Mr. Fong Hoi Shing	**Dr. Lau Kin Wah**	**Mr. Lam Yin Shing, Donald**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

The following is the text of a letter of advice from Gransing Securities Co., Limited, which has been prepared for the purpose of incorporation into this circular, setting out its opinion to the Independent Board Committee and the Independent Shareholders in connection with the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate).



瑞城證券有限公司
Gransing Securities Co., Limited

Gransing Securities Co., Limited
Unit 802, 8/F, Worldwide House,
19 Des Voeux Road Central,
Central, Hong Kong

14 November 2025

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

Dear Sirs and Madams,

CONNECTED TRANSACTION IN RELATION TO PROPOSED ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

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 Agreement and the issue of the Convertible Bonds under Specific Mandate, 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 14 November 2025 (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

Reference is made to the Announcement, on 13 October 2025 (after trading hours) (the "**Agreement Date**"), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company conditionally agreed to issue, and the Subscriber conditionally agreed to subscribe for, the Convertible Bonds with an aggregate principal amount of HK$150,000,000 convertible into Shares at the initial Conversion Price of HK$2.30 per Conversion Share.

Mr. Ho Cheuk Fai, being the Subscriber is an executive Director, the chairman, the chief executive officer and the controlling shareholder of the Company, who is interested in 1,466,670,000 Shares through personal interests, family interests and corporate/other interests), representing approximately 72.56% of the total number of the issued Shares of the Company. Therefore, the Subscriber is a connected person of the Company and the Subscription constitutes a connected transaction of the Company and is subject to the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Subscriber and his associates shall abstain from voting on the resolutions approving the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate) at the SGM. As at the Latest Practicable Date, to the best of the Directors' information, belief and knowledge, having made all reasonable enquiry, save for the Subscriber, namely Mr. Ho Cheuk Fai, an executive Director, the chairman and the chief executive officer of the Company, and a controlling shareholder, and his associates, namely, Mr. Ho Wai Hon, Brian, an executive Director and the son of Mr. Ho Cheuk Fai, and Ms. Ho Po Chu, the spouse of Mr. Ho Cheuk Fai, no other Shareholders have any material interest in the Subscription and the grant of the Specific Mandate. As at the Latest Practicable Date, Mr. Ho Cheuk Fai, Mr. Ho Wai Hon, Brian and Ms. Ho Po Chu (including their personal interests, family interests and corporate/other interests) are interested in approximately 72.56%, 0.16% and 72.56% of the Shares in issue of the Company, respectively, and thus are required to abstain from voting on the resolutions to be proposed at the SGM.

Save as disclosed above and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, no other Shareholder and/or associate thereof has a material interest in the Subscription Agreement or the transactions contemplated thereunder (including the grant of the Specific Mandate), and thus, no other Shareholders and/or associates thereof is required to abstain from voting on the resolutions to be proposed at the SGM.

Save for the Subscriber, namely Mr. Ho Cheuk Fai, an executive Director, the chairman and the chief executive officer of the Company, and a controlling shareholder, and his associates, namely, Mr. Ho Wai Hon, Brian, an executive Director who had abstained from voting, none of the Directors had a material interest in the Subscription and was required to abstain from voting on the resolutions passed by the Board to approve the Subscription and the transactions contemplated thereunder (including the grant of the Specific Mandate).

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising Mr. Fong Hoi Shing, Dr. Lau Kin Wah and Mr. Lam Yin Shing, Donald (all being independent non-executive Directors) has been established to advise the Independent Shareholders in respect of the terms of the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate) are fair and reasonable so far as the Independent Shareholders as concerned, and in the interest of the Company and the Shareholders as a whole, taking into account our recommendation.

INDEPENDENCE

We, Gransing Securities Co., Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate) are fair and reasonable so far as the Independent Shareholders as concerned, and in the interest of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, we were not aware of any relationships or interests between us and the Company or any other parties that could be reasonably be regarded as hindrance to our independence as defined under Rule 13.84 of Listing Rules to act as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscription. We are not associated with the Company, its subsidiaries, its associates or their respective substantial shareholders or associates or any other parties to the Subscription, and accordingly, are eligible to give independent advice and recommendations on the terms of the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate). Apart from normal professional fees payable to us in connection with this appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders, no arrangement exists whereby we will receive any fees from the Company, its subsidiaries, its associates or their respective substantial shareholders or associates or any other parties that could reasonably be regarded as relevant to our independence.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Company. We have assumed that all information and representations that have been provided by the Company, for which it is solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. The Directors jointly and severally accept full responsibility for the accuracy of the information

contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed by them in the Circular have been arrived at after due and careful consideration and there are no other material facts not contained in the Circular, the omission of which would make any such statement made by them that contained in the Circular misleading in all material respects. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Company's representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Subscription and the grant of the Specific Mandate.

Our review and analyses were based upon, among others, (i) the information provided by the Group including the Circular, the Subscription Agreement and certain published information from the public domain, including but not limited to, the annual report of the Company for the year ended 31 March 2025 (the "**Annual Report 2024/25**") and annual report of the Company for the year ended 31 March 2024 (the "**Annual Report 2023/24**"); and (ii) our discussion with the Directors and the management of the Group with respect to the terms of and the reasons for entering into of the Subscription, the businesses and future outlook of the Group. We have not, however, for the purpose of this exercise, conducted any in-depth independent investigation into the businesses or affairs and future prospects of the Group and the Subscriber nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinions and recommendations in respect of the Subscription, we have taken into consideration of the following principal factors and reasons:

(I) Background of the Subscription

On 13 October 2025 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber conditionally agreed to subscribe for, and the Company conditionally agreed to issue the Convertible Bonds in the principal amount of HK$150,000,000 under the Specific Mandate.

(II) Background and financial performance of the Group

(i) Background of the Group

The Group is principally engaged in metal and plastic business and electronic manufacturing services business.

(ii) Financial performance of the Group

Set out below is the financial information of the Group for each of the financial years ended 31 March 2024 and 31 March 2025 ("**FY2023/24**" and "**FY2024/25**", respectively) as extracted from the Annual Report 2023/24 and the Annual Report 2024/25:

Table 1: Consolidated financial performance of the Group

	For the year ended 31 March 2025 ("FY2024/25")	**For the year ended 31 March 2024 ("FY2023/24")**
	HK$'000	*HK$'000*
Revenue	3,231,329	2,915,981
— *Metal and plastic business*	2,027,028	1,725,255
— *Electronic manufacturing services business*	1,204,282	1,190,648
— *Others*	19	78
Gross profit	472,076	370,139
Operating profit	285,026	228,372
Profit for the year	204,481	169,659

As set out in the above Table 1, the revenue of the Group for FY2024/25 was approximately HK$3.23 billion, representing an increase of approximately 11% as compared with that of approximately HK$2.92 billion for FY2023/24. According to the Annual Report 2024/25, increment for FY2024/25 was mainly attributable to the rapid expansion of the application of generative artificial intelligence, which drove the significant increase in demand for highly efficient servers around the world.

The revenue of metal and plastic business for FY2024/25 was approximately HK$2.03 billion, representing an increase of approximately 17% as compared with that of approximately HK$1.73 billion for FY2023/24. According to the Annual Report 2024/25, the

increased in revenue of metal and plastic business was due to the steady increase in orders for server casings and moulds as well as the increased demand for large charger station casings products.

The revenue of electronic manufacturing services business for FY2024/25 was approximately HK$1.20 billion, representing an increase of approximately 1% as compared with that of approximately HK$1.19 billion for FY2023/24. The performance of electronic manufacturing services business was fairly stable during FY2024/25.

Table 2: Consolidated financial position of the Group

	As at 31 March 2025	**As at 31 March 2024**
	HK$'000	*HK$'000*
Non-current assets	1,141,767	1,059,915
Including:		
— Property, plant and equipment	756,108	693,169
— Investment properties	185,544	229,068
— Intangible assets	942	3,824
— Investments in associates	89,447	82,455
— Other financial assets	19,980	19,465
— Other non-current assets	87,403	29,353
— Deferred tax assets	2,343	2,581
Current assets	1,390,939	1,342,806
Current liabilities	1,181,734	1,212,743
Non-current liabilities	272,188	196,974
Including:		
— Bank borrowings	154,500	195,859
— Loan from a controlling shareholder	100,000	—
— Lease liabilities	16,871	276
— Provision for long service payments	609	638
— Deferred tax liabilities	208	201
Net current assets	209,205	130,063
Net assets attributable to the owners of the Company	1,078,784	993,004

As set out in Table 2, the current assets and current liabilities of the Group remained stable as at between 31 March 2024 and 31 March 2025. The non-current assets of the Group increased from approximately HK$1.06 billion as at 31 March 2024 to approximately HK$1.14 billion as at 31 March 2025, while the non-current liabilities of the Group increased from approximately HK$196.97 million as at 31 March 2024 to approximately HK$272.19 million as at 31 March 2025. The increase in the non-current liabilities of the Group was mainly due to the land acquisition and factory leasing, which resulted in an increase in the Group's property, plant and equipment, other non-current assets, and lease liabilities. According to the Annual Report 2024/25, the increase in the other non-current assets is attributable to the growth in the amount of deposits paid representing the purchase of property, plant, and equipment and intangible assets.

(iii) Debt position

According to the Annual Report 2024/25, the complete construction of the plant in Thailand will remain as one of the Group's key strategies of future development. Faced with large-scale capital expenditures, the Group's debt has increased. The net interest-bearing borrowings increased from approximately HK$383.88 million as at 31 March 2024 to approximately HK$466.35 million as at 31 March 2025. Bank borrowings denominated in THB increased from approximately HK$18.90 million as at 31 March 2024 to approximately HK$63.25 million as at 31 March 2025. As at 31 March 2024 and 31 March 2025, the net gearing ratios of the Group were approximately 39% and 43% respectively. According to the Annual Report 2024/25, the increase in gearing ratio was a result of the increase in total bank borrowings during FY2024/25.

(III) Reasons for and benefits of the Subscription

(i) Reasons for and benefits of entering into the Subscription Agreement

The Group is principally engaged in metal and plastic business and electronic manufacturing services business.

The Subscriber's interest in making an investment into the Group reflects its confidence in the Group's business and growth potential. The Directors are of the view that the raising of funds by the issue of the Convertible Bonds will enhance the Group's capital structure and liquidity, strengthen the Group's financial position, broaden the capital base of the Group and to finance the Group's production capacity expansion in Thailand to better serve the increasing demand from the AI server market.

The gross proceeds and the net proceeds (the "**Net Proceeds**") of the Subscription are approximately HK$150,000,000 and HK$149,750,000, respectively. The Company intends to utilise the Net Proceeds to expand its production capacity overseas for production of server chassis and related peripheral products to further develop its existing business segment, namely metal and plastic business, through various means, including but not limited to, purchasing new machinery such as machinery for sharping, assembly and painting, constructing new production plants its own factories in Thailand, and carrying out acquisition and merger in overseas market in order to meet the increasing orders for the Group's AI server chassis and rack components from global tier cloud service providers (CSP) and the world leading AI infrastructure companies. It is currently estimated that the Group will have to substantially increase its existing production capacity for metal and plastic business segment by approximately 80% in order to fulfil the orders on hand in this regard.

Set forth below is the breakdown of the intended use of the Net Proceeds:

Intended use of net proceeds	**Corresponding business segment involved**	**Estimated sum of investment required** *(Approximate HK$'000)*	**Percentage of allocation** *(Approximately)*	**Allocation of the Net Proceeds allocated** *(Approximate HK$'000)*	**Expected time of utilisation of the Net Proceeds allocated**
Purchasing new machinery and equipment for existing and new production plants in Thailand *(Note i)*	Metal and plastic business	300,000	53.42%	80,000	By the first quarter of 2026
Constructing its own factories in Thailand *(Note ii)*	Metal and plastic business	100,000	36.58%	54,775	By the first quarter of 2026
Carrying out acquisition and merger *(Note iii)*	Metal and plastic business	50,000	10.00%	14,975	By the first half of 2026
Total		**450,000**	**100.00%**	**149,750**	

Notes:

(i) The new machinery and equipment to be acquired would be deployed to the four major production workflows as follows:

(a) Server assembly and stamping: Assembly lines, automatic optical inspection machines, automatic feeding machines, stamping presses and other ancillary equipment, such as laser engraving machines, printers, etc.;

(b) Stamping and computer numerical control (CNC): Stamping presses, automatic feeding machines, automatic optical inspection machines, slitting and cutting machines, CNC bending machines and other ancillary equipment, such as wire electrical discharge machines, hydraulic presses, etc.;

(c) Painting: Cleaning line, powder coating lines and other ancillary equipment, such as coating thickness gauge, air compressor, etc.; and

(d) Tooling: Wire cutting machines, CNC machines, large water milling machines and other ancillary equipment, such as small surface grinders, etc.

The expected capital expenditure investments in purchasing new machinery and equipment for each of the workflows above are estimated based on the prevailing market prices of those relevant machines and systems of similar sizes, types and models available in the open market.

(ii) The new production plants would comprise four blocks of production and supporting functions or facilities, namely (a) numerical control turret punch (NCT) and painting; (b) plastic injection, molding and assembly; (c) warehouse and electrical room; (d) chemical hazard storage facility. The expected construction costs for the new production plants are estimated based on the Company's previous experience of renovating its current leased factory in Thailand with references to the prevailing market prices of construction works of similar scale and structures.

(iii) The Company intends to acquire companies possessing high-tech metal production capabilities, such as metal die-casting, in the first half of 2026 to expand and enhance the production capacity for AI servers as part of its metal and plastic business. As at the Latest Practicable Date, the Company had yet to identify any suitable acquisition targets. In the event the Company is unable to identify suitable acquisition targets by the end of the first half of 2026, the Company will re-allocate the Net Proceeds originally allocated for this purposes to further additional machinery to further expand its production capacity as mentioned above.

While the Group has maintained a stable and healthy liquidity position with cash at bank and in hand of approximately HK$118.52 million and deposits with banks with three months or less to maturity when placed of approximately HK$72.66 million as at 31 March 2025, the Group's debt has increased primarily due to the large-scale capital expenditures required for the construction of production plants in Thailand as part of its key strategies to expand its overseas production capacity as mentioned in the annual report of the Company for the year ended 31 March 2025 (the "**2024/25 Annual Report**"). The bank borrowings due within one year increased from approximately HK$333.8 million as at 31 March 2024 to approximately HK$381.7 million as at 31 March 2025. Bank borrowings denominated in THB

increased from approximately HK$18.90 million as at 31 March 2024 to approximately HK$63.25 million as at 31 March 2025. The Group's net gearing ratios also increased from approximately 39% as at 31 March 2024 to approximately 43% as at 31 March 2025, which was primarily attributable to the increase in total bank borrowings during the year ended 31 March 2025 as stated in the 2024/25 Annual Report. As demonstrated above, the estimated total amount of investments required for the above intended use of the Net Proceeds for the next 12 months is at least approximately HK$450 million, and thus the current bank and cash balances of the Group, taking into account the finance costs incurred/to be incurred in respect of the Group's bank borrowings, are insufficient to meet the abovementioned estimated sum of investments required. In order to meet the increasing orders for the Group's products as mentioned above and capture the rising global server demand from customers of the technology and AI market, taking into account the initial significant capital investments required for production capacity expansion, the Board believes that it is imminent for the Group to obtain funds so as to capitalise on the aforesaid market opportunities in a timely manner.

After considering the reasons for and benefits of the Subscription as discussed above, we consider that entering into the Subscription is in the interests of the Company and the Shareholder as a whole.

(ii) Other financing alternatives

The Board has considered other fund raising alternatives before resorting to the proposed issue of the Convertible Bonds, including but not limited to bank borrowing and equity financing.

(a) Debt financing

The Board is of the view that bank borrowing will incur relatively high finance costs for the Company in view of the substantial principal amount of the Convertible Bonds to be issued, which may have negative impact on the Group's financial performance. In addition, banks will usually request the Company to provide sufficient appropriate collaterals to secure the loan facilities applied for. We concur with the Directors view that the proposed interest rate of 2% per annum of the Convertible Bonds is considered acceptable as (i) the interest rate of the Convertible Bonds is less than the 12-month Hong Kong Dollar Interest Settlement Rates (i.e., HIBOR) of approximately 3.37% as extracted from the website of Hong Kong Association of Banks (https://www.hkab.org.hk/en/rates/hibor) as at the Latest Practicable Date; and (ii) the interest rate of the existing bank loan of the Company is 4.5% as stated in the Annual Report 24/25 Therefore, we concur with the Directors' view that obtaining debt

financing from financial institutions may not be feasible, and higher interest rates from external new debts as compared with that of the Convertible Bonds will impose additional financial burden on the Group.

(b) Equity financing

With respect to equity financing alternatives (such as placing of new Shares, rights issue and open offer), the Board considers that placing will usually be conducted on a best-effort basis, rendering the outcome and the exact amount of proceeds to be raised from such placing exercise being uncertain and subject to market condition. Besides, rights issue or open offer will involve the issue of listing documents with other application and administrative procedures involving the public Shareholders which may require relatively longer time and incur additional administrative costs as compared to the issue of the Convertible Bonds. Furthermore, equity financing alternatives will result in an immediate dilution effect on the shareholding of the existing Shareholders. On the other hand, the Directors consider that the issue of the Convertible Bonds is an effective means of raising additional capital since (i) it will not have an immediate dilution effect on the shareholding of the existing Shareholders; and (ii) in the event that the Convertible Bonds are converted into Shares, the Company can broaden its capital base, benefiting the long-term development of the Company. As discussed with the Company, as at the Latest Practicable Date, other than the Subscriber, no investor has shown any interest in providing equity financing to the Company. We concur with the Directors' view that it may take more time to seek for potential investors for placing of new Shares and more documentation is required for rights issue or open offer. Furthermore, the Subscription provides a higher degree of certainty, whereas the outcome of a rights issue or open offer or placing of new Shares for the fundraising amount would be subject to the uncertainty of the subscription level.

(iii) Fund raising activities of the Company in the past 12 months

The Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

(IV) Principal terms of the Subscription Agreement and the Convertible Bonds

(i) The Subscription Agreement

On 13 October 2025 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber (a connected person of the Company) pursuant to which the Subscriber conditionally agreed to subscribe for, and the Company conditionally agreed to issue the Convertible Bonds in the principal amount of HK$150,000,000 under the Specific Mandate.

The Convertible Bonds carry the Conversion Rights to convert into the Conversion Shares at the Conversion Price of HK$2.30 per Conversion Share (subject to adjustments). The subscription amount payable for the Convertible Bonds under the Subscription Agreement shall be satisfied by the Subscriber in cash on the Completion Date.

The principal terms of the Subscription Agreement are summarised below:

Date

13 October 2025

Parties

(1) The Company, as issuer; and

(2) Mr. Ho Cheuk Fai, as subscriber

Subscription

The Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for, the Convertible Bonds in the principal amount of HK$150,000,000.

Subscription Price

The principal amount of the Convertible Bonds to be issued to the Subscriber shall be not more than HK$150,000,000 in cash on the Completion Date. The Subscription Price, being 100% of the principal amount of HK$150,000,000, is determined after arm's length negotiation between the Company and the Subscriber taking into account the Subscriber's own financial resources available.

Conditions precedent

The obligations of the Company and the Subscriber under the Subscription Agreement are conditional upon:

(i) all necessary consents and approvals, including the Board resolutions, required to be obtained on the part of the Company in respect of the Subscription Agreement and the transactions contemplated thereunder have been obtained;

(ii) the Listing Committee of the Stock Exchange granting the approval for the listing of and permission to deal in the Conversion Shares to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds, and such approval remains valid and effective;

(iii) the passing by the Independent Shareholders who are entitled to vote and not required to be abstained from voting under the Listing Rules at the SGM of the necessary resolution(s) to approve the Subscription Agreement and the transactions contemplated thereunder;

(iv) none of the warranties given by the Company under the Subscription Agreement having been breached in any material respect (or if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect; and

(v) none of the warranties given by the Subscriber under the Subscription Agreement having been breached in any material respect (or if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect.

The conditions set out in (i), (ii) and (iii) above are incapable of being waived. The Subscriber may at any time by notice in writing to the Company waive condition (iv) above. The Company may at any time by notice in writing to the Subscriber to waive condition (v). If any of the conditions precedent above are not fulfilled (or waived, as the case may be) on or before 19 December 2025, the Subscription Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Subscription Agreement save in respect of any antecedent breach of any obligation thereof.

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

Completion

Completion of the Subscription shall take place within three Business Days after the conditions precedent of the Subscription as set out above are fulfilled and/or waived (or such other date as may be agreed between the parties to the Subscription Agreement). The Subscriber shall pay the Subscription Price in full in cash to the Company by way of bank transfer on the Completion Date.

(ii) The Convertible Bonds

On 13 October 2025 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber conditionally agreed to subscribe for, and the Company conditionally agreed to issue the Convertible Bonds in the principal amount of HK$150,000,000 under the Specific Mandate. The principal terms of the Convertible Bonds to be issued under the Subscription Agreement are set out as follows:

Issuer	:	The Company
Subscriber	:	The Subscriber
Status	:	The Convertible Bonds constitute direct, unconditional, unsubordinated, unguaranteed and unsecured obligations of the Company and shall at all times rank *pari passu* with all other present and future unsecured, unguaranteed and unsubordinated obligations of the Company.
Principal amount	:	HK$150,000,000
Subscription Price	:	100% of the principal amount of HK$150,000,000 in cash
Coupon	:	2.0% per annum payable in every six calendar months
Maturity Date	:	The third anniversary of the date of issue of the Convertible Bonds or any such other date as mutually agreed to in writing between, and shortened or extended by, the Company and the Bondholder (the "**Maturity Date**").

Conversion Price : The Convertible Bonds shall be converted at the Conversion Price. Upon issue of the Convertible Bonds, the initial Conversion Price will be HK$2.30 per Conversion Share.

The initial Conversion Price per Conversion Share for the Convertible Bonds is subject to adjustments in each of the following adjustment events:

(a) Consolidation or sub-division of the Shares

If and whenever the Shares by reason of any consolidation or sub-division, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the number of Shares in issue immediately before such alteration and dividing the result by the number of Shares in issue immediately after such alteration.

Each such adjustment shall be effective from the close of business in Hong Kong on the day immediately preceding the date on which the consolidation or sub-division becomes effective.

(b) Capitalisation of profits or reserves

If and whenever the Company shall issue (other than in lieu of a cash dividend) any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund), the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the following fraction:

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

where:

A = the aggregate number of the Shares in issue immediately before such issue; and

B = the aggregate number of the Shares to be issued in connection with and as a result of such capitalisation. Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for such issue.

Provided that if the relevant issue of Shares is made as part of an arrangement involving a reduction of capital, the Conversion Price shall be adjusted in such manner as an approved merchant bank or auditors shall certify to be appropriate, having regard to the relative interests of the persons affected thereby taken as a whole and such other matters as the approved merchant bank shall consider relevant.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day following the record date for such issue.

(c) Capital distribution

If and whenever the Company shall make any capital distribution to the Shareholders (in their capacity as such) (whether on a reduction of capital or otherwise) or shall grant to such Shareholders rights to acquire for cash assets of the Company or any of its subsidiaries, the Conversion Price in force immediately prior to such distribution or grant shall be reduced by multiplying it by the following fraction:

$$\frac{C-D}{D}$$

where:

C = the market price on the date on which the capital distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) the next preceding day of the capital distribution or, as the case may be, of the grant; and

D = the fair market value on the day of such announcement or (as the case may require) the next preceding day, as determined in good faith by an approved merchant bank or auditors, of the portion of the capital distribution or of such right which is attributable to one Share. For avoidance of doubt, if the capital distribution is distributions in cash the fair market value shall be the cash value and determination by the independent auditors is not required.

Provided that (aa) if in the opinion of the relevant approved merchant bank or auditors, the use of the fair market value as aforesaid produces a result which is significantly inequitable, it may instead determine (and in such event the above formula shall be construed as if D meant) the amount of the said market price which should properly be attributed to the value of the capital distribution or rights; and (bb) the provisions of this paragraph (c) shall not apply in relation to the issue of Shares paid out of profits or reserves and issued in lieu of a cash dividend.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day following the record date for the capital distribution or grant.

(d) Issue of Shares for subscription by way of rights

If and whenever the Company shall offer to Shareholders new Shares for subscription by way of rights, or shall grant to Shareholders any options or warrants to subscribe for new Shares, at a price which is less than 95% of the market price on the date of the announcement of the terms of the offer or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate of the amount (if any) payable for the rights, options or warrants and of the amount payable for the total number of new Shares comprised therein would purchase at such market price per share and the denominator is the number of Shares in issue immediately before the date of such announcement plus the aggregate number of Shares offered for subscription or comprised in the options or warrants.

Such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for the offer or grant.

Provided however that no such adjustment shall be made if the Company shall make a like offer or grant (as the case may be) at the same time to the Bondholder (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong) as if it had exercised the Conversion Rights under the Convertible Bonds registered in its name in full on the day immediately preceding the record date for such offer or grant.

(e) *(aa) Issue of convertible or exchangeable securities*

If and whenever the Company shall issue wholly for cash or for reduction of liabilities any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares, and the total effective consideration per Share (as defined in this paragraph (e) below) initially receivable for such securities is less than 95% of the market price on the date of the announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by a fraction of which the numerator is the number of Shares in issue immediately before the date of the issue plus the number of Shares which the total effective consideration receivable or for reduction of liabilities for the securities issued would purchase at such market price per Share and the denominator is the number of Shares in issue immediately before the date of the issue plus the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the conversion or exchange rate or subscription price.

Such adjustment shall become effective (if appropriate retroactively) from the close of business in Hong Kong on the Business Day next preceding the date on which the issue is announced.

(bb) Modification of rights of convertible or exchangeable securities

If and whenever the rights of conversion or exchange or subscription attached to any such securities as are mentioned in section (aa) of this sub-paragraph (e) are modified so that the total effective consideration per Share (as defined below) initially receivable for such securities shall be less than 95% of the market price on the date of announcement of the proposal to modify such rights of conversion or exchange or subscription, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by a fraction of which the numerator is the number of Shares in issue immediately before the date of such modification plus the number of Shares which the total effective consideration receivable for the securities issued at the modified conversion or exchange price would purchase at such market price and of which the denominator is the number of Shares in issue immediately before such date of modification plus the number of Shares to be issued upon conversion or exchange of or the exercise of the subscription rights conferred by such securities at the modified conversion or exchange rate or subscription price.

Such adjustment shall become effective as at the date upon which such modification shall take effect. A right of conversion or exchange or subscription shall not be treated as modified for the foregoing purposes where it is adjusted to take account of rights or capitalisation issues and other events normally giving rise to adjustment of conversion or exchange terms.

For the purposes of this paragraph (e), the "**total effective consideration**" receivable for the securities issued shall be deemed to be the consideration receivable by the Company (or in the case of reduction of liabilities, the amount of liabilities to be reduced) for any such securities plus the additional minimum consideration (if any) to be received by the Company upon (and assuming) the conversion or exchange thereof or the exercise of such subscription rights, and the total effective consideration per Share initially receivable for such securities shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) such conversion or exchange at the conversion or exchange rate or the exercise of such subscription rights at the initial subscription price, in each case without any deduction for any commissions, discounts or expenses paid, allowed or incurred in connection with the issue.

(f) *Issue of Shares being made wholly for cash or for reduction of liabilities at a price less than 95% of the market price per Share*

If and whenever the Company shall issue wholly for cash or for reduction of liabilities any Shares at a price per Share which is less than 95% of the market price on the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate amount payable for the issue or for reduction of liabilities would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares so issued.

Such adjustment shall become effective (if appropriate retroactively) from the close of business in Hong Kong on the Business Day next preceding the date on which the issue is announced.

(g) *Issue of Shares for the acquisition of asset*

If and whenever the Company shall issue Shares for the acquisition of asset at a total effective consideration per Share (as defined in this paragraph (g) below) which is less than 95% of the market price on the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying it by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the Total Effective Consideration would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares so issued. Each such adjustment shall be effective (if appropriate retroactively) from the close of business in Hong Kong on the Business Day next preceding the date on which the issue is announced.

For the purpose of this paragraph (g) "**total effective consideration**" shall be the fair value of the asset(s) to be acquired, such value to be determined by a professional independent third party valuer or the auditors of the Company or an approved merchant bank.

(h) Issue of convertible securities for acquisition of asset

If and whenever the Company shall issue any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares for the acquisition of asset at a total effective consideration (as defined below) per Share initially receivable for such securities is less than 95% of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying it by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the total effective consideration would purchase at the market price and the denominator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the initial conversion or exchange rate or subscription price.

Such adjustment shall become effective (if appropriate retrospectively) from the close of business in Hong Kong on the Business Day next preceding the date on which the Company determines the conversion or exchange rate or subscription price.

For the purpose of this paragraph (h), "**total effective consideration**" shall be the fair value of the asset(s) to be acquired, such value to be determined by a professional independent third party valuer or the auditors of the Company or an approved merchant bank.

Conversion Rights	:	The holder of the Convertible Bonds shall have the right to convert their Convertible Bonds at the principal amount into Shares during the Conversion Period at the Conversion Price in effect on the conversion date (as defined in the CB Instrument), provided that (i) any conversion of the Convertible Bonds does not result in the holders of the Convertible Bonds and/or the parties acting in concert with any of them and/or their respective associates being interested in such percentage as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer obligation under Rule 26 of the Takeovers Code on the part of the holder of the Convertible Bonds which exercised the conversion rights; and (ii) any conversion of the Convertible Bonds does not result in the public float of the Shares being less than 25% (or any given percentage as required by the Listing Rules) of the issued Shares of the Company.
Conversion Period	:	The holder of the Convertible Bonds will have the right to convert the whole or part of the principal amount of the Convertible Bonds into Conversion Shares from the date of issue of the Convertible Bonds (the "**Issue Date**") up to and including the date which is three (3) days prior to the Maturity Date (or if the Maturity Date is not a Business Day, the Business Day immediately preceding the Maturity Date).
Redemption Amount	:	The Company shall, on the Maturity Date, redeem the then outstanding Convertible Bonds, at 100% of the then outstanding principal amount of those Convertible Bonds or any part thereof together with outstanding interest accrued thereon.

Early redemption at the option of the Company	:	The Company shall have the right at its option to redeem all (but not part of) the outstanding Convertible Bonds in an amount equivalent to 100% of the principal amount of such outstanding Convertible Bonds together with any then outstanding unpaid interest by giving not less than seven (7) days' notice to the Bondholder in accordance with the terms of the CB Instrument at any time following the Issue Date up to and including the date falling seven (7) days immediately preceding the Maturity Date.
Voting	:	The Bondholder shall not be entitled to attend or vote at any meetings of the Company by reason only of it being a holder of the Convertible Bonds.
Listing	:	No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange. Application will be made to the Stock Exchange for the listing of and permission to deal in the Conversion Shares to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds.
Transferability	:	The Convertible Bonds may be assigned or transferred to any transferee subject to prior notification to the Company. The Convertible Bonds may not be assigned or transferred to any connected person of the Company (as defined under the Listing Rules) without prior written consent of the Company.
Security	:	The obligations of the Company under the Convertible Bonds are unsecured.

(V) Our assessment on the Conversion Price

In assessing the fairness and reasonableness of the Conversion Price, we have primarily taken into account (i) the financial position of the Group, which has been discussed in the section headed "(II) Background and financial performance of the Group" above in this letter; (ii) the historical Share price performance; and (iii) the market comparables in respect of recent issuance of convertible bonds/notes.

The initial Conversion Price of HK$2.30 per Conversion Share represents:

(i) a discount of approximately 12.55% over the closing price of HK$2.63 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 7.26% over the closing price of HK$2.48 per Share as quoted on the Stock Exchange on 13 October 2025, being the date of the Subscription Agreement;

(iii) a discount of approximately 15.57% over the average of the closing prices of HK$2.724 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately preceding 13 October 2025, being the date of the Subscription Agreement;

(iv) a discount of approximately 9.66% over the average closing price of approximately HK$2.546 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to the date of the Subscription Agreement;

(v) a premium of approximately 18.99% over the average closing price of approximately HK$1.933 per Share as quoted on the Stock Exchange for the thirty (30) consecutive trading days immediately prior to the date of the Subscription Agreement;

(vi) a premium of approximately 330.71% over the Company's net asset value per Share of approximately HK$0.534 calculated based on the audited consolidated net assets of the Company of HK$1,078,784,000 as at 31 March 2025 and 2,021,463,200 Shares in issue as at the Latest Practicable Date; and

(vii) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 0.49%, represented by the theoretical diluted price (as defined under Rule 7.27B of the Listing Rules) of approximately HK$2.711 per Share, to the benchmarked price of HK$2.724 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (a) the closing price of HK$2.48 per Share on the Last Trading Day and (b) the average closing price of HK$2.724 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately preceding the Last Trading Day).

(i) Review on the historical closing price of the Shares

We have reviewed the chart illustrates the historical daily closing price of the Shares as quoted on the Stock Exchange during the period commencing from 14 April 2025 (being the approximately six months prior to the Last Trading Day) up to and including the Last Trading

Date (the "**Review Period**"). We consider that the Review Period is adequate as it represents a reasonable period to reflect a general overview of the recent price movement of the Shares. The following chart sets out the daily closing prices of the Shares on the Stock Exchange during the Review Period:

Chart 1: Daily closing prices of the Shares during the Review Period



Source: The Stock Exchange's website

The closing price of the Shares remained stable for most of the Review Period, with the closing price below HK$1 per Share prior to 1 September 2025. The closing price of the Shares exceeded HK$1 and remained above that level after 1 September 2025. After reaching a peak of HK$2.23 per Share on 16 September 2025, the closing price of the Shares began to decline slightly. The Group issued a voluntary announcement about business update relating to Nvidia supply chain on 26 September 2025, the closing price of the Shares reached HK$2.48 on 26 September 2025.

As shown in the Chart 1 above, during the Review Period, the daily closing prices of the Shares ranged from the lowest of HK$0.69 per Share, to the highest of HK$2.86 per Share. The Conversion Price of HK$2.30 per Conversion Share is within the range during the Review Period.

(ii) Comparison with recent issuance of convertible bonds/notes

To further assess the fairness and reasonableness of the Conversion Price, we have conducted a research on the website of the Stock Exchange, using our best endeavours, of recent issue, placing and subscription of convertible bonds/notes exercises (excluding A-share convertible bonds), announced by companies listed on the Main Board of the Stock Exchange. The selection criteria was based on the following : (i) the issuers are listed on the Stock Exchange, of which the shares were not in prolonged suspension at the date of the announcement; (ii) the market capitalization of the issuers exceeded HK$100 million on the respective announcement dates regarding the issuance of the convertible bonds; (iii) the issuers announced to issue or appoint a placing agent to place the convertible bonds/notes during the last six-month immediately preceding the date of the Subscription Agreement (the "**Comparable Period**"); (iv) the duration of the convertible bonds/notes is at least one year and is not perpetual; (v) the proposed issue of the convertible bonds/notes has not been terminated or lapsed as at the Latest Practicable Date; and (vi) the issuers need to issue convertible bonds/notes through specific mandate rather than general mandate.

We have excluded perpetual convertible bonds/notes in our analysis as they are considered not comparable to the Convertible Bonds in terms of the credit risk and interest rate risk incurred from the maturity of the convertible bonds/notes. Based on the above criteria, we identified an exhaustive list of five convertible securities (the "**Comparable Transactions**"). We consider that the Comparable Transactions were determined under similar market conditions and sentiment, and hence represent fair and representative samples and provide a general reference of this type of transaction in the market. We also consider that the Comparable Period is appropriate (i) to reflect the prevailing market conditions and sentiments in the Hong Kong stock market; (ii) to provide a general reference of the recent convertible securities transactions being conducted under similar market conditions; and (iii) to generate a reasonable and meaningful number of samples for the purpose of our analysis. Set out below is the Comparable Transactions analysis:

Table 3: Comparable Transactions

Company name (stock code)	Date of announcement	Connected transaction (Yes/No)	Market Capitalization on the respective announcement date (HK$ million)	Interest rate per annum	Conversion Price premium over/discount to the closing price per Share on the last trading day/agreement date immediately prior to the date of agreement in relation to the respective issuance of convertible bonds/notes	Conversion Price premium over/discount to the average closing price per Share for the last 5 consecutive trading days immediately prior to and including the date of agreement in relation to the respective issuance of convertible bonds/notes
Dingyi Group Investment Limited (508)	31 July 2025	Yes	263.71	2.00%	5.81%	2.82%
China Carbon Neutral Development Group Limited (1372)	30 May 2025	No	1,092.96	5.00%	(83.53)%	(80.14)%
USPACE Technology Group Limited (1725)	22 July 2025	Yes	393.16	0.00%	(19.23)%	(20.25)%
Pengo Holdings Group Limited (1865)	1 August 2025	No	187.86	3.00%	(14.50)%	(19.30)%
China Rongzhong Financial Holdings Company Limited (3963)	3 September 2025	Yes	145.89	2.75%	0.00%	(0.17)%
			Maximum:	**5.00%**	**5.81%**	**2.82%**
			Minimum:	**0.00%**	**(83.53)%**	**(80.14)%**
			Average:	**2.55%**	**(22.29)%**	**(23.41)%**
Karrie International Holdings Limited (1050)	**13 October 2025**	**Yes**	**5,014.09**	**2.00%**	**(7.26)%**	**(15.57)%**

Source: The Stock Exchange's website

(a) Conversion Price

We note that (i) the premium over/discount to the closing price per share on the last trading day/agreement date immediately prior to the date of agreement in relation to the respective issuance of convertible bonds/notes ranged from a discount of approximately 83.53% to a premium of approximately 5.81%, with the average being discount of approximately 22.29%; and (ii) the premium over/discount to the average closing price per share for the last 5 consecutive trading days immediately prior to and

including the date of agreement in relation to the respective issuance of convertible bonds/notes ranged from a discount of approximately 80.14% to a premium of approximately 2.82%, with the average being discount of approximately 23.41%. The discount of the Conversion Price is within the range and lower than the average of the Comparable Transactions. As such, the Conversion Price of the Convertible Bonds is acceptable.

The Conversion Price represents a discount to the closing price of the Shares on the date of the Subscription Agreement and the average closing prices of the Shares on the last five trading days and ten trading days immediately preceding the date of the Subscription Agreement taking into account that (i) despite the prevailing positive market sentiment of the Hong Kong stock market, the Hong Kong stock market remains to be subject to the Sino-US tension to a large extent, which casts uncertainty as to the prevailing market condition from time to time; and (ii) the Company and the Subscriber have agreed at a lower interest rate of 2.0% per annum which would, in turn, alleviate the future interest burden of the Company.

(b) Interest rate

As shown in the Table 3 above, the interest rates of the Comparable Transactions ranged from nil to 5.00% per annum, with an average of approximately 2.55% per annum. The interest rate of the Convertible Bonds is within the range and lower than the average of the Comparable Transactions. The interest rate of the Convertible Bonds is slightly lower than the aforesaid range as agreed between the Company and the Subscriber to mitigate the future interest expenses of the Company. As such, the interest rate of the Convertible Bonds is acceptable.

Shareholders should note that the financial position, business, operations, and prospects of listed companies of the Comparable Transactions may not be identical to those of the Group and we have not conducted any in-depth investigation into the respective businesses and operations of the companies of each Comparable Transactions. Therefore, we consider that the Comparable Transactions provide the Independent Shareholders a general reference as to the common market practice in respect of the terms of convertible bonds/notes issued by companies listed in Hong Kong as compared with that of the Convertible Bonds. It would not be appropriate to conclude the Subscription solely based on the result of Comparable Transactions analysis. Therefore, we advise the Independent Shareholders taking a holistic approach to consider various factors as discussed in this letter to justify the fairness and reasonableness of the Subscription.

(iii) Financial effect of the Subscription

(a) Liquidity

According to the Annual Report 2024/25, the cash at bank and in hand of the Group was approximately HK$118.52 million as at 31 March 2025, and deposits with banks with 3 months or less to maturity when placed of the Group was approximately HK$72.66 million as at 31 March 2025. As confirmed by the Directors, approximately HK$149.75 million of the net proceeds from the Subscription will be additional cash injected into the Company immediately upon completion of the Subscription.

(b) Gearing ratio

According to the Annual Report 2024/25, the gearing ratio of the Group was approximately 43% as at 31 March 2025. In any event the holder of the Convertible Bonds or the transferee of the Convertible Bonds exercises the conversion rights attaching to the Convertible Bonds, assuming no other factors affecting the financial position of the Group, the gearing position would be improved and the conversion of the Convertible Bonds by the bondholder into Conversion Shares would enlarge the capital base of the Group. On the other hand, if the conversion rights attaching to the Convertible Bonds are not exercised upon maturity of the Convertible Bonds, the Company will have to repay the principal amount of the Convertible Bonds to the holder(s) of the Convertible Bonds in cash. The gearing position of the Group will also be improved upon maturity of the Convertible Bonds on the condition that all other financial factors remain constant and the cash position of the Group by then is sufficient to repay the loan as well as to maintain the operation of the Group.

Shareholders should be noted that the aforementioned analysis are for illustrative purpose only and does not purport to represent how the financial performance and financial position of the Company would be upon completion of the Subscription.

(VI) Shareholding structure and possible dilution effect of the Convertible Bonds

The table below sets out the Company's shareholding structure as at the Latest Practicable Date and immediately upon full conversion of the Convertible Bonds, assuming no further issue or repurchase of Shares and no conversion of any of the convertible securities of the Company:

Table 4: Shareholding structure and possible dilution effect of the Convertible Bonds

	As at the Latest Practicable Date		Immediately upon full conversion of the Convertible Bonds	
	Number of Shares	Approximate percentage of total issued Shares[(1)]	Number of Shares	Approximate percentage of total issued Shares[(1)]
Ms. Chan Ming Mui, Silvia[(2)]	6,700,000	0.33%	6,700,000	0.32%
Mr. Zhao Kai[(3)]	11,382,000	0.56%	11,382,000	0.55%
Mr. Chan Raymond[(4)]	4,752,000	0.24%	4,752,000	0.23%
Mr. Ho Wai Hon, Brian[(5)]	3,298,000	0.16%	3,298,000	0.16%
Mr. Fong Hoi Shing[(6)]	42,000	0.00%	42,000	0.00%
The Subscriber[(7)]	1,466,670,000	72.56%	1,531,887,391	73.41%
Public Shareholders	528,619,200	26.15%	528,619,200	25.33%
Total	2,021,463,200	100.00%	2,086,680,591	100.00%

Notes:

(1) Certain amounts and percentage figures included in the table above have been subject to rounding adjustments, and any discrepancy between the total amount and the arithmetical sum of the amounts listed is due to rounding.

(2) Ms. Chan Ming Mui, Silvia, an executive Director, beneficially owns 6,700,000 Shares, and is interested in 5,000,000 share options granted to her under the Share Option Scheme, which remain unvested as at the Latest Practicable Date.

(3) Mr. Zhao Kai, an executive Director, beneficially owns 11,382,000 Shares, and is interested in 5,000,000 share options granted to him under the Share Option Scheme, which remain unvested as at the Latest Practicable Date.

(4) Mr. Chan Raymond, an executive Director, beneficially owns 4,752,000 Shares, and is interested in 5,000,000 share options granted to him under the Share Option Scheme, which remain unvested as at the Latest Practicable Date.

(5) Mr. Ho Wai Hon, Brian, an executive Director, beneficially owns 3,298,000 Shares and is interested in 1,500,000 share options granted to him under the Share Option Scheme, which remain unvested as at the Latest Practicable Date.

(6) Mr. Fong Hoi Shing, an independent non-executive Director, beneficially owns 42,000 Shares.

(7) The 1,466,670,000 Shares that the Subscriber, namely Mr. Ho Cheuk Fai, is interested in comprise (i) 278,712,000 Shares beneficially held by him; (ii) 487,608,000 Shares held by New Sense Enterprises Limited ("**New Sense**"); (iii) 330,000,000 Shares held by Castfast Properties Development Co., Limited ("**Castfast Properties**"), 87% of the issued share capital of which is beneficially owned by Honford Investments Limited ("**Honford Investments**"), where New Sense and Honford Investments are each wholly-owned by TMF (B.V.I.) Ltd. as trustee for a discretionary trust, which is a family trust with Mr. Ho Cheuk Fai as settlor ("**The Ho Family Trust**"); (iv) 260,000,000 Shares held by The Wedding City Co., Limited ("**The Wedding City**"), which is held as to 90% and 10% by Mr. Ho Cheuk Fai and Ms. Ho Po Chu, respectively. By virtue of the SFO, Mr. Ho Cheuk Fai is deemed to be interested in the 817,608,000 Shares in aggregate held by New Sense and Castfast Properties as founder of The Ho Family Trust and in the 260,000,000 Shares through The Wedding City; and (v) Ms. Ho Po Chu is the spouse of Mr. Ho Cheuk Fai, he is therefore deemed to be interested in the 110,350,000 Shares beneficially held by Ms. Ho Po Chu by virtue of the SFO.

Upon full conversion of the Convertible Bonds at the Conversion Price, the Convertible Bonds will be convertible into 65,217,391 new Shares, representing approximately 3.23% of the total number of issued Shares (excluding treasury shares) and approximately 3.13% of the total number of issued Shares (excluding treasury shares) as enlarged by the allotment and issue of the Conversion Shares as at the Latest Practicable Date.

Assuming no outstanding Share Options being exercised and that there is no change in the number of issued Shares from the Latest Practicable Date up to the date when the Conversion Rights are exercised in full, the existing shareholding of the Independent Shareholders will be diluted from approximately 26.15% before full conversion of the Convertible Bonds to approximately 25.33% immediately after full conversion of the Convertible Bonds.

Despite the dilution to the Independent Shareholders, taking into account (i) the reasons for and benefits of the Subscription as set out in the section headed "(III) Reasons for and benefits of the Subscription" in this letter above; and (ii) the terms of the Subscription Agreement being fair and reasonable and in the interest of the shareholders as a whole; and (iii) the minimum public float requirement of the Listing Rules and relevant restrictions under the Subscription Agreement; and (iv) the theoretical dilution effect would not result in a dilution effect of 25% or more and result in an immediate dilution effect on the shareholding of the existing Shareholders, we are of the view that the extent of dilution to the shareholding interests of the Independent Shareholders as a result of the full conversion of the Convertible Bonds is acceptable.

RECOMMENDATION

We have considered the above principal factors and reasons and, in particular, having taken into account the following in arriving at our opinion:

(i) The Subscription is an appropriate fund raising method currently available to the Group due to the reasons set forth under the section headed "(III) Reasons for and benefits of the Subscription";

(ii) The terms of the Subscription Agreement are in line with the Comparable Transactions;

(iii) The potential dilution effect to the shareholding interest of the Independent Shareholders arising from the full conversion of the Convertible Bonds is acceptable;

(iv) The Subscription is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

We are of the view that the Subscription and the Convertible Bonds are not conducted in the ordinary and usual course of business of the Group, the terms of the Subscription Agreement are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the relevant resolution approving the terms of the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate).

Yours faithfully,
For and on behalf of
Gransing Securities Co., Limited
Beverly Seeto
Managing Director

Ms. Beverly Seeto is a licensed person registered with the SFC and a responsible officer of Gransing Securities Co., Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. She has over 10 years of experience in the corporate finance industry and has participated in the provision of independent financial advisory services for various 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. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors and chief executive of the Company in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she was taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (c) pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

	Number of Shares				
Name of Directors and chief executive	**Personal interests**	**Family interests**	**Corporate/ Other interests**	**Total interests**	**% of issued share capital** *(Note 8)*
Mr. Ho Cheuk Fai	278,712,000 *(Note 1)*	110,350,000 *(Note 1)*	1,077,608,000 *(Note 2)*	1,466,670,000	72.56
Ms. Chan Ming Mui, Silvia	11,700,000 *(Note 3)*	—	—	11,700,000	0.58
Mr. Zhao Kai	16,382,000 *(Note 4)*	—	—	16,382,000	0.81

Name of Directors and chief executive	Number of Shares: Personal interests	Family interests	Corporate/ Other interests	Total interests	% of issued share capital *(Note 8)*
Mr. Chan Raymond	9,752,000 *(Note 5)*	—	—	9,752,000	0.48
Mr. Ho Wai Hon, Brian	4,798,000 *(Note 6)*	—	—	4,798,000	0.24
Mr. Fong Hoi Shing	42,000 *(Note 7)*	—	—	42,000	0.00

Notes:

1. Mr. Ho Cheuk Fai's personal interest consisted of 278,712,000 Shares. He is deemed to be interested in 110,350,000 Shares held by his spouse, Ms. Ho Po Chu, as beneficial owner.

2. The 1,077,608,000 Shares comprised (i) 487,608,000 Shares held by New Sense Enterprises Limited ("**New Sense**"); and (ii) 330,000,000 Shares held by Castfast Properties Development Co., Limited ("**Castfast Properties**"), 87% of the issued share capital of which is beneficially owned by Honford Investments Limited ("**Honford Investments**"), where New Sense and Honford Investments are each wholly-owned by TMF (BVI) Limited ("**TMF**") as trustee for a discretionary trust, which is a family trust with Mr. Ho Cheuk Fai as settlor ("**The Ho Family Trust**"); (iii) 260,000,000 Shares held by The Wedding City Co., Limited ("**The Wedding City**"), 90% and 10% of the issued share capital of which is beneficially owned by Mr. Ho Cheuk Fai and Ms. Ho Po Chu, respectively. Mr. Ho Cheuk Fai is deemed to be interested in the 817,608,000 Shares in aggregate held by New Sense and Castfast Properties as founder of The Ho Family Trust and in the 260,000,000 Shares through The Wedding City; and (iv) Ms. Ho Po Chu is the spouse of Mr. Ho Cheuk Fai, he is therefore deemed to be interested in the 110,350,000 Shares beneficially held by Ms. Ho Po Chu by virtue of the SFO.

3. Ms. Chan Ming Mui, Silvia, an executive Director, beneficially owns 6,700,000 Shares, and is interested in 5,000,000 share options granted to her under the 2023 Share Option Scheme, which remain unvested as at the Latest Practicable Date.

4. Mr. Zhao Kai, an executive Director, beneficially owns 11,382,000 Shares, and is interested in 5,000,000 share options granted to him under the 2023 Share Option Scheme, which remain unvested as at the Latest Practicable Date.

5. Mr. Chan Raymond, an executive Director, beneficially owns 4,752,000 Shares, and is interested in 5,000,000 share options granted to him under the 2023 Share Option Scheme, which remain unvested as at the Latest Practicable Date.

6. Mr. Ho Wai Hon, Brian, an executive Director, beneficially owns 3,298,000 Shares and is interested in 1,500,000 share options granted to him under the 2023 Share Option Scheme, which remain unvested as at the Latest Practicable Date.

7. Mr. Fong Hoi Shing, an independent non-executive Director, beneficially owns 42,000 Shares.

8. Based on 2,021,463,200 Shares (excluding treasury shares) in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she was taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (c) pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial Shareholders

As at the Latest Practicable Date, so far as the Directors are aware, the following persons (other than the Directors and the chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares, underlying Shares or debentures of the Company (i) which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or (ii) which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

	Number of Shares				
Name of substantial Shareholders	**Personal interests**	**Family interests**	**Corporate/ Other interests**	**Total interests**	**% of issued share capital** *(Note 7)*
New Sense	487,608,000 *(Note 1)*	—	—	487,608,000	24.12
Castfast Properties	330,000,000 *(Note 2)*	—	—	330,000,000	16.32
The Wedding City	260,000,000 *(Note 3)*	—	—	260,000,000	12.86

Name of substantial Shareholders	Number of Shares				% of issued share capital *(Note 7)*
	Personal interests	**Family interests**	**Corporate/ Other interests**	**Total interests**	
Honford Investments	—	—	330,000,000 *(Note 2)*	330,000,000	16.32
TMF	—	—	817,608,000 *(Note 4)*	817,608,000	40.45
Ms. Ho Po Chu	110,350,000 *(Note 5)*	538,712,000 *(Note 5)*	817,608,000 *(Note 6)*	1,466,670,000	72.56

Notes:

1. The entire issued share capital of New Sense was owned by TMF as trustee for The Ho Family Trust.

2. 87% of the issued share capital of Castfast Properties is beneficially owned by Honford Investments. The entire issued share capital of Honford Investments was owned by TMF as trustee for a discretionary trust, The Ho Family Trust. The interests of Honford Investments duplicate with those of Castfast Properties.

3. 260,000,000 Shares were beneficially held by The Wedding City. 90% and 10% of the issued share capital of which is beneficially owned by Mr. Ho Cheuk Fai and Ms. Ho Po Chu, respectively. The interests of The Wedding City therefore duplicate with those of Mr. Ho Cheuk Fai referred to in Note 2 to the subsection headed "Interests and short positions of the Directors and chief executive of the Company in the securities of the Company and its associated corporations" above.

4. TMF is deemed to be interested in these Shares held by New Sense, Castfast Properties and Honford Investments by virtue of acting as the trustee for The Ho Family Trust.

5. The personal interests of Ms. Ho Po Chu comprise 110,350,000 Shares. Ms. Ho Po Chu is also deemed to be interested in (a) 278,712,000 Shares held and 260,000,000 Shares deemed to be held by her spouse, Mr. Ho, and (b) 817,608,000 Shares referred to in Note 2 to the subsection headed "Interests and short positions of the Directors and chief executive of the Company in the securities of the Company and its associated corporations" above.

6. Ms. Ho Po Chu is the beneficiary of The Ho Family Trust and is thus deemed to be interested in the 817,608,000 Shares held under The Ho Family Trust.

7. Based on 2,021,463,200 Shares in issue (excluding treasury shares) as at the Latest Practicable Date.

Save as disclosed above, so far as the Directors are aware, as at the Latest Practicable Date, no person had, or were deemed to have, an interest or short position in the Shares, underlying Shares or debentures of the Company (i) which would fall to be disclosed to the Company under

the provisions of Divisions 2 and 3 of Part XV of the SFO; or (ii) which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or was a substantial shareholder of the Company.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which does not expire or is not terminable by the relevant member of the Group within one year without payment of compensation, other than statutory compensation.

4. DIRECTORS' INTEREST IN CONTRACTS OR ARRANGEMENTS AND ASSETS

(a) Director's interests in contracts

As at the Latest Practicable Date, none of the Directors was materially interested, either directly or indirectly, in any contract or arrangement entered into by any member of the Group which is subsisting as at the date of this circular and is significant in relation to the business of the Group.

(b) Director's interests in assets

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired, disposed of by or leased to, or which were proposed to be acquired, disposed of by or leased to, any member of the Group since 31 March 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of Directors and their respective associates were interested in businesses which compete or are likely to compete, either directly or indirectly, with the business of the Group (as would be required to be disclosed under the Listing Rules as if each of them was a controlling shareholder).

6. LITIGATION

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

7. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group after the date two years immediately preceding the Latest Practicable Date and are or may be material:

(a) the Subscription Agreement;

(b) the agreement to purchase and sell land dated 10 January 2025 entered into between KarTech Thai Industrial Limited as purchaser and Amata Corporation Public Company Limited as vendor in relation to the acquisition of three plots of land situated in Amata City Chonburi Industrial Estate at the total consideration of THB501,592,250; and

(c) the lease agreement dated 10 January 2025 entered into between Karwin Thai Advanced Technology Industrial Limited and Amata Summit Ready Built Company Limited in relation to the lease of industrial premises located in Amata City Industrial Estate at a total rent of THB1,071,345 per month.

8. EXPERT'S QUALIFICATION AND CONSENT

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

Name	**Qualification**
Gransing Securities Co., Limited	A corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO

As at the Latest Practicable Date, the above expert:

(i) had no direct or indirect shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and

(ii) had no interests, direct or indirect, in any assets which had been, since 31 March 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up, acquired or disposed of by or leased to any of member of the Group, or are proposed to be acquired or disposed of by or leased to any of member of the Group.

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of its letter, report or opinion (as the case may be) and reference to its name in the form and context in which they respectively appear.

9. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2025, being the date to which the latest published audited consolidated accounts of the Group were made up.

10. GENERAL

(a) The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

(b) The head office and principal place of business of the Company is 9th Floor, Southeast Industrial Building, 611–619 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong.

(c) The principal share registrar and transfer office of the Company is Appleby Global Corporate Services (Bermuda) Limited at Canon's Court, 22 Victoria Street, PO Box HM 1179, Hamilton HM EX, Bermuda.

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

(e) The company secretary of the Company is Mr. Tang Wing Fai. He is a Chartered Secretary, a Chartered Governance Professional and an associate of The Chartered Governance Institute and the Hong Kong Chartered Governance Institute.

(f) The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

11. DOCUMENTS ON DISPLAY

The following documents will be available on the website of the Company (www.karrie.com) and the website of the Stock Exchange (www.hkexnews.com.hk) from the date of this circular up to and including the date of the SGM, being a period of not less than 14 days:

(i) the letter from the Board, the text of which is set out in "Letter from the Board" in this circular;

(ii) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out in "Letter from the Independent Board Committee" in this circular;

(iii) the letter from the IFA to the Independent Board Committee and the Independent Shareholders, the text of which is set out in "Letter from the Independent Financial Adviser" in this circular;

(iv) the written consent referred to in the paragraph headed "8. Expert's qualification and consent" in this appendix;

(v) the Subscription Agreement in relation to the subscription for the Convertible Bonds; and

(vi) this circular.

Karrie International Holdings Limited
嘉利國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1050)

NOTICE IS HEREBY GIVEN THAT a special general meeting (the "**Meeting**") of Karrie International Holdings Limited (the "**Company**") will be held at 1st Floor, Grand Ballroom Castfast Hotel, 12 Castfast Road, Guan Jing Tou, Feng Gang, Dongguan, Guangdong, PRC on Tuesday, 2 December 2025 at 3:00 p.m. to consider and, if thought fit, pass (with or without modification) the following resolution as ordinary resolution:

ORDINARY RESOLUTION

"**THAT**:

(a) the subscription agreement dated 13 October 2025 (the "**Subscription Agreement**") and entered into between the Company and Mr. Ho Cheuk Fai in respect of the issue of convertible bonds in an aggregate principal amount of HK$150,000,000 (the "**Convertible Bonds**") upon and subject to the terms and conditions as set out therein and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

(b) the issue of the Convertible Bonds by the Company in accordance with the terms and conditions of the Subscription Agreement be and is hereby approved;

(c) the allotment and issue of new ordinary shares of HK$0.1 each in the share capital of the Company (the "**Conversion Shares**") which may fall to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds in accordance with the terms and conditions thereof be and are hereby approved;

(d) conditional upon, among others, the listing committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Conversion Shares, the specific mandate to the directors of the Company (the "**Directors**") to exercise the

* *For identification purposes only*

powers of the Company for the allotment and issue of the Conversion Shares in accordance with the terms and conditions of the Convertible Bonds be and is hereby approved; and

(e) any one or more Directors be and are hereby authorised to do all such things and acts as he/she/they may in his/her/their discretion consider necessary, desirable or expedient, for the purposes of or in connection with the implementation of the Subscription Agreement and the transactions contemplated thereunder, including but not limited to the execution of all such documents under seal where applicable, as he/she/they considers necessary or expedient in his/her/their opinion to implement and/or give effect to the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares which may fall to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds."

On behalf of the Board
Karrie International Holdings Limited
Ho Wai Hon, Brian
Deputy Chairman

Hong Kong, 14 November 2025

As at the date of this circular, the executive Directors are: Mr. Ho Cheuk Fai, Ms. Chan Ming Mui, Silvia, Mr. Zhao Kai, Mr. Chan Raymond and Mr. Ho Wai Hon, Brian; the independent non-executive Directors are: Mr. Fong Hoi Shing, Dr. Lau Kin Wah and Mr. Lam Yin Shing, Donald.

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Head office and Principal Place of Business in Hong Kong:
9th Floor
Southeast Industrial Building
611–619 Castle Peak Road
Tsuen Wan
New Territories
Hong Kong

Notes:

1. Any shareholder of the Company entitled to attend and vote at the SGM is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder of the Company who is the holder of two or more shares of the Company is entitled to appoint more than one proxy to attend and vote in his stead. A proxy need not be a shareholder of the Company. A form of proxy for use at the SGM is enclosed herewith.

2. In order to be valid, this form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the SGM or any adjournment thereof. Completion and return of the proxy form will not preclude any shareholder of the Company from attending and voting at the SGM or any adjourned meeting.

3. Where there are joint holders of any share of the Company any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting, the vote of the person whose name stands first in the register of members of the Company in respect of such share, whether in person or by proxy, shall be accepted to the exclusion of the other joint holders.

4. The register of members of the Company will be closed from Friday, 28 November 2025 to Tuesday, 2 December 2025 (both days inclusive) during which no transfer of the share(s) (the "**Share(s)**") in the share capital of the Company will be registered. In order to qualify for attending and voting at the SGM (or any adjournment thereof), all transfers of shares of the Company accompanied by the relevant share certificates(s) must be lodged with the Company's branch share registrar in Hong Kong at the above address by no later than 4:30 p.m. on Thursday, 27 November 2025. Shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, 2 December 2025 will be entitled to attend and vote at the SGM.

5. The Company reminds Shareholders that they may appoint the chairman of the SGM as their proxy to vote on the relevant resolutions at the SGM as an alternative to attending the SGM in person.

6. In the event that a black rainstorm warning or a tropical cyclone warning number 8 or above is hoisted or remains hoisted at 6:00 a.m. on Tuesday, 2 December 2025, the SGM will be adjourned to the same time and place on the first business day after Tuesday, 2 December 2025.