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

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

This circular is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

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VISION VALUES HOLDINGS LIMITED
遠見控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 862)

**(1) CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTION
OF THE 2026 CONVERTIBLE NOTES;
(2) PROPOSED SHARE CONSOLIDATION;
(3) PROPOSED CHANGE IN BOARD LOT SIZE; AND
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Advisor to the Independent Board Committee and
the Independent Shareholders**



A letter from the board of directors of Vision Values Holdings Limited is set out on pages 10 to 51 of this circular.

A letter from Somerley Capital Limited, the Independent Financial Advisor, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 54 to 90 of this circular.

A notice convening the extraordinary general meeting of Vision Values Holdings Limited to be held at 10th Floor, United Centre, 95 Queensway, Admiralty, Hong Kong on Friday, 22 May 2026 at 11:00 a.m. is set out on pages EGM-1 to EGM-4 of this circular. Whether or not you are able to attend the meeting in person, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the meeting (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting (or any adjournment thereof) should you so wish.

5 May 2026

CONTENTS

	<i>Pages</i>
DEFINITIONS	1
EXPECTED TIMETABLE	8
LETTER FROM THE BOARD	10
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	52
LETTER FROM SOMERLEY CAPITAL LIMITED	54
APPENDIX I – GENERAL INFORMATION	I-1
NOTICE OF EXTRAORDINARY GENERAL MEETING	EGM-1

DEFINITIONS

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

“2026 Convertible Notes”	collectively, the 2026 MG Convertible Note, the 2026 CTFN Convertible Note, the 2026 DN Convertible Note, the 2026 NV Convertible Note and the 2026 GL Convertible Note
“2026 Conversion Shares”	collectively, the 2026 MG Conversion Shares, the 2026 CTFN Conversion Shares, the 2026 DN Conversion Shares, the 2026 NV Conversion Shares and the 2026 GL Conversion Shares
“2026 CTFN Convertible Note”	the 3% convertible note to be subscribed by CTFN under the 2026 CTFN Subscription Agreement
“2026 CTFN Conversion Shares”	the Conversion Shares to be issued by the Company upon exercise of the Conversion Rights attaching to the 2026 CTFN Convertible Note
“2026 CTFN Subscription”	the subscription of the 2026 CTFN Convertible Note by CTFN pursuant to the 2026 CTFN Subscription Agreement
“2026 CTFN Subscription Agreement”	the conditional subscription agreement dated 13 April 2026 entered into between the Company and CTFN pursuant to which the Company has agreed to issue, and CTFN has agreed to subscribe for, the 2026 CTFN Convertible Note
“2026 DN Convertible Note”	the 3% convertible note to be subscribed by Dragon Noble under the 2026 DN Subscription Agreement
“2026 DN Conversion Shares”	the Conversion Shares to be issued by the Company upon exercise of the Conversion Rights attaching to the 2026 DN Convertible Note
“2026 DN Subscription”	the subscription of the 2026 DN Convertible Note by Dragon Noble pursuant to the 2026 DN Subscription Agreement
“2026 DN Subscription Agreement”	the conditional subscription agreement dated 13 April 2026 entered into between the Company and Dragon Noble pursuant to which the Company has agreed to issue, and Dragon Noble has agreed to subscribe for, the 2026 DN Convertible Note

DEFINITIONS

“2026 GL Convertible Note”	the 3% convertible note to be subscribed by Glory Light under the 2026 GL Subscription Agreement
“2026 GL Conversion Shares”	the Conversion Shares to be issued by the Company upon exercise of the Conversion Rights attaching to the 2026 GL Convertible Note
“2026 GL Subscription”	the subscription of the 2026 GL Convertible Note by Glory Light pursuant to the 2026 GL Subscription Agreement
“2026 GL Subscription Agreement”	the conditional subscription agreement dated 13 April 2026 entered into between the Company and Glory Light pursuant to which the Company has agreed to issue, and Glory Light has agreed to subscribe for, the 2026 GL Convertible Note
“2026 MG Convertible Note”	the 3% convertible note to be subscribed by Moral Glory under the 2026 MG Subscription Agreement
“2026 MG Conversion Shares”	the Conversion Shares to be issued by the Company upon exercise of the Conversion Rights attaching to the 2026 MG Convertible Note
“2026 MG Subscription”	the subscription of the 2026 MG Convertible Note by Moral Glory pursuant to the 2026 MG Subscription Agreement
“2026 MG Subscription Agreement”	the conditional subscription agreement dated 13 April 2026 entered into between the Company and Moral Glory pursuant to which the Company has agreed to issue, and Moral Glory has agreed to subscribe for, the 2026 MG Convertible Note
“2026 NV Convertible Note”	the 3% convertible note to be subscribed by Next Victory under the 2026 NV Subscription Agreement
“2026 NV Conversion Shares”	the Conversion Shares to be issued by the Company upon exercise of the Conversion Rights attaching to the 2026 NV Convertible Note
“2026 NV Subscription”	the subscription of the 2026 NV Convertible Note by Next Victory pursuant to the 2026 NV Subscription Agreement

DEFINITIONS

“2026 NV Subscription Agreement”	the conditional subscription agreement dated 13 April 2026 entered into between the Company and Next Victory pursuant to which the Company has agreed to issue, and Next Victory has agreed to subscribe for, the 2026 NV Convertible Note
“2026 Subscription Agreements”	collectively, the 2026 MG Subscription Agreement, the 2026 CTFN Subscription Agreement, the 2026 DN Subscription Agreement, the 2026 NV Subscription Agreement and the 2026 GL Subscription Agreement
“Announcement”	the announcement of the Company dated 13 April 2026 relating to, among other things, the Subscriptions, the Share Consolidation and the Change in Board Lot Size
“associate(s)”	has the meaning given to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday, any public holiday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares from 5,000 Existing Shares to 10,000 Consolidated Shares
“Company”	Vision Values Holdings Limited (遠見控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability and whose Shares are listed on the Main Board of the Stock Exchange
“Completion Date”	the third Business Day after fulfillment of the conditions precedent set out in each of the Subscription Agreements or such other date as the parties to the respective Subscription Agreement may agree in writing, and in any event no later than the Long Stop Date

DEFINITIONS

“connected person(s)”	has the meaning given to it in the Listing Rules
“Consolidated Share(s)”	issued and unissued ordinary share(s) having a par value of HK\$0.1 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“controlling shareholder”	has the meaning given to it under the Listing Rules
“Conversion Price”	(i) before the implementation of the Share Consolidation, the initial price of HK\$0.042 per Existing Share; and (ii) immediately after (and subject to) the Share Consolidation becoming effective, the initial price of HK\$0.42 per Consolidated Share, (subject to the adjustment as set out in the 2026 Convertible Notes, from time to time, if any)
“Conversion Right(s)”	the right(s) attaching to the 2026 Convertible Notes to convert the respective principal amounts and any accrued but unpaid interest thereon or any part thereof into the Conversion Share(s)
“Conversion Share(s)”	the Existing Share(s) (or, immediately after (and subject to) the Share Consolidation becoming effective, the Consolidated Shares) to be issued by the Company as a result of the exercise of the Conversion Rights attaching to the 2026 Convertible Notes
“CTFN”	Chow Tai Fook Nominee Limited, a company incorporated in Hong Kong with limited liability
“Director(s)”	the director(s) of the Company
“Dragon Noble”	Dragon Noble Group Limited, a company incorporated in the British Virgin Islands with limited liability and beneficially wholly-owned by Dr. Cheng Kar Shun, Henry
“EGM”	the extraordinary general meeting to be convened by the Company (i) for the Independent Shareholders to consider and, if thought fit, approve the 2026 Subscription Agreements and the transactions contemplated thereunder; and (ii) for the Shareholders to consider and, if thought fit, approve the Share Consolidation

DEFINITIONS

“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Existing Share(s)”	issued and unissued ordinary share(s) having a par value HK\$0.01 each in the share capital of the Company prior to the Share Consolidation becoming effective
“General Rules of HKSCC”	the terms and conditions regulating the use of HKSCC’s services, as may be amended, supplemented and/or otherwise modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“Glory Light”	Glory Light Limited, a company incorporated in Hong Kong with limited liability and beneficially wholly-owned by Mr. C. Ho
“Group”	collectively, the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Operational Procedures”	the operational procedures of the HKSCC, containing the practices, procedures and administrative or other requirements relating to the operations and functions of CCASS, as from time to time in force
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company, comprising all the independent non-executive Directors, which has been formed for the purpose of advising the Independent Shareholders in respect of the Subscriptions, the 2026 Subscription Agreements and the transactions contemplated thereunder
“Independent Shareholder(s)”	Shareholder(s) other than those who have material interest in the Subscriptions, the 2026 Subscription Agreements and the transactions contemplated thereunder and are required to abstain from voting at the EGM
“Last Trading Day”	10 April 2026, being the last full trading day prior to the date of publication of the Announcement

DEFINITIONS

“Latest Practicable Date”	28 April 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in the circular
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 June 2026 or such other date as the respective Subscribers may agree in writing;
“Mr. C. Ho”	Mr. Ho Christopher King Tung, the sole shareholder and beneficial owner of Glory Light, and son of Mr. N. Ho
“Mr. N. Ho”	Mr. Ho Hau Chong, Norman, an executive Director of the Company
“Mr. Lo”	Mr. Lo Lin Shing, Simon (魯連城), being the controlling shareholder, chairman, chief executive officer and an executive Director of the Company
“Moral Glory”	Moral Glory International Limited, a company incorporated in the British Virgin Islands with limited liability and beneficially wholly-owned by Mr. Lo
“Next Victory”	Next Victory Group Limited, a company incorporated in the British Virgin Islands with limited liability and beneficially wholly-owned by Ms. Wong Wing Yue Rosaline
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Share(s)”	(i) issued and unissued ordinary share(s) of HK\$0.01 each in the share capital of the Company (i.e. Existing Share(s)) before the implementation of the Share Consolidation; and (ii) immediately after (and subject to) the Share Consolidation becoming effective, issued and unissued ordinary share(s) of HK\$0.1 each in the share capital of the Company (i.e. Consolidated Share(s))
“Share Consolidation”	the proposed consolidation of every ten (10) Existing Shares into one (1) Consolidated Share

DEFINITIONS

“Shareholder(s)”	holder(s) of the issued Share(s)
“Share Option(s)”	share option granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme of the Company adopted on 29 November 2021
“Sommerley” or “Independent Financial Advisor”	Sommerley Capital Limited, a licensed corporation to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial advisor to the Independent Board Committee and the Independent Shareholders in respect of the Subscriptions, the 2026 Subscription Agreements and the transactions contemplated thereunder
“Specific Mandate”	the specific mandate for the issue and allotment of the Conversion Shares which is subject to the approval by the Independent Shareholders at the EGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	collectively, Moral Glory, CTFN, Dragon Noble, Next Victory and Glory Light
“Subscriptions”	collectively, the 2026 MG Subscription, the 2026 CTFN Subscription, the 2026 DN Subscription, the 2026 NV Subscription and the 2026 GL Subscription
“substantial shareholder”	has the meaning given to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“VVLJV”	新疆遠見鴻業物流有限公司, a joint venture company established in the PRC under a joint venture agreement entered between新疆遠見物流有限公司and新疆鑫鵬鴻業物流有限公司and is held as to 60% by the Company
“%”	per cent.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Consolidation and the Change in Board Lot Size is set out below. The expected timetable is subject to the results of the EGM and has been prepared on the assumption that all the conditions to the Share Consolidation will be fulfilled or otherwise waived, and is therefore for indicative purpose only.

Event	Time and date
Despatch date of circular with notice of the EGM	Tuesday, 5 May 2026
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM	4:30 p.m. on Monday, 18 May 2026
Closure of the register of members for the entitlement to attend and vote at the EGM (both days inclusive)	Tuesday, 19 May 2026 to Friday, 22 May 2026
Latest date and time for lodging the proxy forms for the EGM	11:00 a.m. on Wednesday, 20 May 2026
Record date for attendance and voting at the EGM	Friday, 22 May 2026
Expected date and time of the EGM	11:00 a.m. on Friday, 22 May 2026
Publication of announcement of voting results of the EGM	Friday, 22 May 2026
Register of members of the Company re-opens	Tuesday, 26 May 2026

The following events are conditional upon the fulfilment of the conditions for implementation of the Share Consolidation and Change in Board Lot Size as set out in this circular and therefore the dates are tentative only. Subject to the above, the following timetable, including but not limited to, the effective date of the Share Consolidation and Change in Board Lot Size, will remain unchanged even if that day is a severe weather trading day.

Event	Time and date
Effective date of the Share Consolidation	Wednesday, 27 May 2026
First day of free exchange of existing share certificates for new share certificates for the Consolidated Share	Wednesday, 27 May 2026
Dealing in the Consolidated Shares commences	9:00 a.m. on Wednesday, 27 May 2026

EXPECTED TIMETABLE

Original counter for trading in the Existing Shares in board lots of 5,000 Existing Shares temporarily closes	9:00 a.m. on Wednesday, 27 May 2026
Temporary counter for trading in the Consolidated Shares in board lots of 500 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Wednesday, 27 May 2026
Original counter for trading in the Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Wednesday, 10 June 2026
Effective date of the Change in Board Lot Size	Wednesday, 10 June 2026
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) commences	9:00 a.m. on Wednesday, 10 June 2026
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on Wednesday, 10 June 2026
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares	4:00 p.m. on Thursday, 2 July 2026
Temporary counter for trading in the Consolidated Shares in board lots of 500 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Thursday, 2 July 2026
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) ends	4:10 p.m. on Thursday, 2 July 2026
Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares	4:30 p.m. on Monday, 6 July 2026

The expected timetable set out above is subject to the result of relevant resolution(s) of the EGM and is therefore for indicative purpose only and may be extended or varied. All times and dates in this circular refer to Hong Kong local times and dates. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

LETTER FROM THE BOARD

VISION VALUES HOLDINGS LIMITED

遠見控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 862)

Executive Directors:

Mr. Lo Lin Shing, Simon (*Chairman*)

Mr. Ho Hau Chong, Norman

Ms. Yvette Ong

Mr. Lo, Rex Cze Kei

Mr. Lo, Chris Cze Wai

Mr. Lo, James Cze Chung

Registered office:

P.O. Box 31119 Grand Pavilion Hibiscus Way

802 West Bay Road

Grand Cayman KY1-1205

Cayman Islands

*Head office and principal place of
business in Hong Kong:*

17th Floor

118 Connaught Road West

Hong Kong

Independent Non-executive Directors:

Mr. Tsui Hing Chuen, William *JP*

Mr. Lau Wai Piu

Mr. Lee Kee Wai, Frank

Mr. Wei, Chi Kuan Kenny

5 May 2026

To the Shareholders

Dear Sir or Madam,

**(1) CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTION
OF THE 2026 CONVERTIBLE NOTES;
(2) PROPOSED SHARE CONSOLIDATION;
(3) PROPOSED CHANGE IN BOARD LOT SIZE; AND
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the announcements of the Company dated 13 April 2026 and 27 April 2026 in relation to, among other things, the Subscriptions, the Share Consolidation and the Change in Board Lot Size.

The purpose of this circular is to provide the Shareholders with information in respect of (i) details of the Subscriptions and the 2026 Convertible Notes; (ii) recommendations from the Independent Board Committee in respect of the Subscriptions; (iii) the advice from the independent financial advisor to the Independent Board Committee and the Independent Shareholders in respect of the Subscriptions; (iv) details of the Share Consolidation and the Change in Board Lot Size; and (v) the notice of the EGM.

LETTER FROM THE BOARD

2. THE SUBSCRIPTIONS

After trading hours on 13 April 2026, the Company entered into five separate 2026 Subscription Agreements with each of the Subscribers, pursuant to which the Company conditionally agreed to issue and each of the Subscribers conditionally agreed to subscribe for the respective 2026 Convertible Notes.

Save for the parties to the respective 2026 Subscription Agreements, the subscription price, and each of the 2026 Subscription Agreements shall become unconditional upon all the other 2026 Subscription Agreements being unconditional, the principal terms of each of the 2026 Subscription Agreements are essentially the same. The principal terms of each of the 2026 Subscription Agreements are set out below.

2026 Subscription Agreements

Date: 13 April 2026

Parties:

	2026 MG Subscription Agreement	2026 CTFN Subscription Agreement	2026 DN Subscription Agreement	2026 NV Subscription Agreement	2026 GL Subscription Agreement
The issuer	The Company	The Company	The Company	The Company	The Company
The Subscriber	Moral Glory	CTFN	Dragon Noble	Next Victory	Glory Light
The subscription price (HK\$)	53,873,065.89	35,217,131.88	52,696,590.27	13,020,000.00	45,193,211.96

Subject

The Company conditionally agreed to issue and each of the Subscribers conditionally agreed to subscribe for the respective 2026 Convertible Notes at the respective subscription price (which is equivalent to the respective principal amount of the relevant 2026 Convertible Note). The Company entered into the 2026 Subscription Agreements on the same date. The proceeds arising from the issue of the 2026 Convertible Notes pursuant to the 2026 Subscription Agreements are planned to be used by the Company in such manner as set out in the section headed “Use of Proceeds” below.

Conditions precedent

Completion of each of the 2026 Subscription Agreements is conditional upon the following being satisfied or fulfilled (or, to the extent waivable, wavier) on or before the Long Stop Date: -

- (a) the Listing Committee granting or agreeing to grant the listing of, and permission to deal in, the Conversion Shares to be issued pursuant to the respective 2026 Convertible Note and such grant remaining in full force and effect;

LETTER FROM THE BOARD

- (b) all necessary consents, approvals (or waivers), authorisation, permission or exemption from any third parties, including but not limited to government or regulatory authorities, having been obtained by the Company in connection with the respective Subscriptions and the issue of the respective 2026 Convertible Note and the respective Conversion Shares upon exercise of the Conversion Rights thereunder and such consents, approvals (or waivers), authorisation, permission or exemption remaining in full force and effect;
- (c) the compliance by the Company with all legal and other requirements under the Listing Rules and the laws of the Cayman Islands applicable to the transactions contemplated under the respective 2026 Subscription Agreement;
- (d) the passing of the requisite respective resolutions by the Board and the Shareholders at a general meeting (other than those persons who are precluded from voting under the Listing Rules) approving, *inter alia*, the Share Consolidation, the respective transactions contemplated under the 2026 Subscription Agreements (including but not limited to the issue of the 2026 Convertible Notes, and the allotment and issue of Conversion Shares upon exercise of the respective Conversion Rights); and
- (e) the other 2026 Subscription Agreements having become unconditional in all respects, except for the condition therein of the particular 2026 Subscription Agreement concerned being unconditional.

All conditions above are non-waivable, except that condition (e) of each of the 2026 Subscription Agreements above is waivable at the discretion of the respective Subscriber. As to condition precedent (b) above, the approvals and consents required only include the approval from the Listing Committee for listing of the Conversion Shares (as stated in condition (a) above). As at the Latest Practicable Date, none of the conditions above had been satisfied or waived.

Completion

Completion date shall be the third Business Day after fulfilment of all the conditions precedent as stated above, or such other date as the parties to the respective 2026 Subscription Agreement may agree in writing, and in any event no later than the Long Stop Date, on which completion of the respective 2026 Subscription Agreement shall take place.

The completion of the 2026 MG Subscription, the 2026 CTFN Subscription, the 2026 DN Subscription, the 2026 NV Subscription and the 2026 GL Subscription shall take place simultaneously.

LETTER FROM THE BOARD

Rescission

If any of the following events occurs at any time prior to completion of the respective 2026 Subscription Agreement, the respective Subscriber may, by giving a written notice to the Company, rescind its respective 2026 Subscription Agreement: -

- (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may materially and adversely affect the business or the financial position of the Group as a whole;
- (b) the occurrence of any local, national or international event or change, whether or not forming part of a series of events or changes occurring or continuing before and/or after the respective date of the relevant 2026 Subscription Agreement, of a political, military, financial, economic or other nature (whether or not *ejusdem generis* with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may materially and adversely affect the business or the financial position of the Group as a whole;
- (c) there shall have occurred any of the following: (i) a suspension or material limitation in trading in the Company's securities or the Shares on the Stock Exchange (other than any temporary suspension for clearance of (1) the Announcement; or (2) any other announcement for no more than ten consecutive trading days); (ii) a general moratorium on commercial banking activities in Hong Kong declared by the relevant authorities, or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong; (iii) a change or development involving a prospective change in taxation in the Cayman Islands or Hong Kong materially and adversely affecting the Company, the Shares, the respective 2026 Convertible Note or the transfer thereof; (iv) the outbreak or escalation of hostilities involving Hong Kong or the declaration by Hong Kong of a national emergency or war; or (v) the occurrence of any other calamity or crisis or any change in financial, political or economic conditions or currency exchange rates or controls, which would have a material adverse effect;
- (d) any breach of the representations, warranties and undertakings given by the Company under the respective 2026 Subscription Agreement or any failure by the Company to perform any of the agreements set forth in the respective 2026 Subscription Agreement where any such breach or failure would have a material adverse effect; or

LETTER FROM THE BOARD

- (e) in connection with the subscription of the respective 2026 Convertible Note, any of the conditions precedent set out in the respective 2026 Subscription Agreement has not been satisfied or waived by the respective Subscriber by the Long Stop Date.

Upon the giving of such notice by the respective Subscriber to the Company, all obligations of the Company and such Subscriber under the relevant 2026 Subscription Agreement shall cease and determine and no party to such 2026 Subscription Agreement shall have any claim against the other in respect of any matter or thing arising out of or in connection with such 2026 Subscription Agreement.

Principal terms of the 2026 Convertible Notes

Principal amount	2026 MG Convertible Note HK\$53.9 million
	2026 CTFN Convertible Note HK\$35.2 million
	2026 DN Convertible Note HK\$52.7 million
	2026 NV Convertible Note HK\$13.0 million
	2026 GL Convertible Note HK\$45.2 million
Maturity	Third anniversary of the date of issue of the 2026 Convertible Notes (or such later date as may be consented by the respective holders of the 2026 Convertible Notes).
Interest rate	Interest shall accrue from day to day and shall be calculated on the basis of the actual number of days elapsed in a year of 365 days, at the rate of three (3) per cent. per annum on the principal amount of the 2026 Convertible Notes from time to time outstanding, and, unless previously redeemed, repaid or converted into Shares, payable in arrears on the maturity date of the 2026 Convertible Notes

LETTER FROM THE BOARD

Denomination for conversion With a minimum aggregate amount of HK\$1,000,000 and authorised denomination(s) integral multiples (i.e. HK\$10) thereof, save that if at any time the aggregate outstanding amount of the respective 2026 Convertible Note held by a holder is less than HK\$1,000,000, the whole (but not part only) of the aggregate outstanding amount of such 2026 Convertible Note may be converted

Conversion rights A holder of the 2026 Convertible Notes shall have the right to convert on any Business Day from the issue date and up to the Business Day immediately prior to the maturity date of the 2026 Convertible Notes, the whole or any part of the 2026 Convertible Notes (comprising the outstanding principal amount and any accrued but unpaid interest thereon and in the denomination as stated above) into Shares at any time and from time to time at the Conversion Price (subject to adjustment)

Conversion price (i) before the implementation of the Share Consolidation, the initial price of HK\$0.042 per Existing Share, and (ii) immediately after (and subject to) the Share Consolidation becoming effective, the initial price of HK\$0.42 per Consolidated Share, subject to the adjustment.

The Conversion Price shall from time to time be adjusted in accordance with the following relevant provisions:

- (a) If and whenever the Shares, by reason of any consolidation, reclassification or sub-division, become of a different nominal amount, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the following fraction:

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

where: A = the revised nominal amount

B = the former nominal amount

Each such adjustment shall be effective from the date on which the consolidation, reclassification or sub-division becomes effective.

LETTER FROM THE BOARD

- (b) If and whenever the Company shall issue (other than in lieu of a cash dividend) any Shares credited as fully paid 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:

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

where: C = the aggregate nominal amount of the issued Shares immediately before such issue

D = the aggregate nominal amount of the issued Shares immediately after such issue

Each such adjustment shall be effective (if appropriate, retroactively) on the date of such issue of Shares.

- (c) In the case of an issue of Shares by way of a scrip dividend (as defined in the 2026 Convertible Notes) where the aggregate market price on the date of announcement of the terms of the issue of such Shares multiplied by the number of such Shares issued exceeds the amount of the relevant cash dividend (as defined in the 2026 Convertible Notes) or the relevant part thereof, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Shares by the following fraction:

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

where: A is the aggregate number of Shares in issue immediately before such scrip dividend;

B is the aggregate number of Shares which the relevant cash dividend would purchase at such market price; and

C is the aggregate number of Shares to be issued pursuant to such scrip dividend;

LETTER FROM THE BOARD

or by making such other adjustment as a financial advisor shall certify to the holder of the 2026 Convertible Notes is fair and reasonable.

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

- (d) If and whenever the Company shall make any capital distribution (as defined in the 2026 Convertible Notes) (except where, and to the extent that, the Conversion Price has been adjusted under paragraph (b) above) 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 adjusted by multiplying it by the following fraction:

$$\frac{E - F}{E}$$

where: E = the market price (as defined in the 2026 Convertible Notes) on the date on which the capital distribution or, as the case may be, the grant is publicly announced or (where no such announcement is required to be made under the Listing Rules) the date immediately preceding the record date of the capital distribution or, as the case may be, of the grant

F = the fair market value (as defined in the 2026 Convertible Notes) on the day of such announcement or (as the case may require) the date immediately preceding the record date of the capital distribution or, as the case may be, of the grant, as determined in good faith by a financial adviser (as defined in Condition 6.2), of the portion of the capital distribution or of such rights which is attributable to one Share

LETTER FROM THE BOARD

provided that if in the opinion of the relevant financial adviser, 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 F meant the amount of the said market price which should properly be attributed to the value of the capital distribution or rights.

Each such adjustment shall be effective (if appropriate, retroactively) on the date that such capital distribution is made or if a record date is fixed therefor, immediately after such record date.

- (e) If and whenever the Company shall, after the date hereof, offer to the Shareholder new Shares for subscription by way of rights, or shall grant to the Shareholders by way of rights any options (other than pursuant to a share option scheme of the Company), warrants or other rights to subscribe for or purchase any Shares at a price which is less than the Market Price at the date of the announcement of the terms of such 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 the following fraction:

$$G + \frac{H \times I}{J}$$
$$\frac{G + H}{G + H}$$

where: G = the number of Shares in issue immediately before the date of such announcement

H = the maximum aggregate number of Shares so offered for subscription or comprised in the options or warrants or other rights to subscribe for new Shares

I = the amount (if any) payable for the rights, options or warrants or other rights to subscribe for each new Share, plus the subscription price payable for each new Share

LETTER FROM THE BOARD

J = the market price at the date of such announcement

Such adjustment shall become effective (if appropriate, retroactively) on the date of issue of such securities.

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

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

where: A is the market price of one Share on the date on which such issue or grant is publicly announced; and

B is the fair market value on the date of such announcement of the portion of the rights attributable to one Share as determined in good faith by a financial adviser (as defined in the 2026 Convertible Notes).

Such adjustment shall become effective on the date of issue of the securities, or issue or grant of such rights, options or warrants (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants as the case may be on the Stock Exchange.

LETTER FROM THE BOARD

- (g) If and whenever the Company shall issue (otherwise than as mentioned in paragraph (e) above) wholly for cash any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, or purchase of Shares) or issue or grant (otherwise than as mentioned in paragraph (e) above) wholly for cash any options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares (other than the relevant 2026 Convertible Note), in each case at a price per Share which is less than 90% of the market price on the date of the first public announcement of the terms of such issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

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

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

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

C is the number of Shares to be issued pursuant to such issue of such Shares or, as the case may be, the maximum number of Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights.

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

LETTER FROM THE BOARD

- (h) (i) If and whenever the Company shall issue wholly for cash any securities which by their terms are (directly or indirectly) convertible into or exchangeable for or carry rights of subscription for new Shares (other than the relevant 2026 Convertible Note), and the total effective consideration per Share (as defined below in this paragraph (h)) initially receivable for such securities is less than 90% of the market price per Share at 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 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 initial conversion or exchange rate or subscription price. Such adjustment shall become effective (if appropriate, retrospectively) on the date of issue of such securities.

LETTER FROM THE BOARD

- (ii) If and whenever the rights of conversion or exchange or subscription attached to the other 2026 Convertible Notes or any such securities as are mentioned in section (i) of this paragraph (h) are modified so that the total effective consideration (as defined below in this paragraph (h)) per Share is less than 90% of the market price per Share at 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 per Share 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 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 take effect as at the date upon which such modification takes effect. A right of conversion or exchange or subscription shall not be treated as modified for the foregoing purposes where it is adjusted in accordance with the terms of such securities.

LETTER FROM THE BOARD

For the purposes of this paragraph (h), the “total effective consideration” receivable for the securities issued shall be deemed to be the consideration receivable by the Company 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 initial 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.

- (i) If and whenever the Company or any of its subsidiaries or (at the direction or request of or pursuant to any arrangements with the Company or any of its subsidiaries) any other company, person or entity shall offer any securities in connection with which Shareholders as a class are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under paragraphs 6.1(b) to 6.1(h)(i) above or would fall to be so adjusted if the relevant issue or grant was at 90% less than the market price per Share on the relevant trading day), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the making of such offer by the following fraction:

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

where: A is the market price of one Share on the date on which the terms of such offer are first publicly announced; and

B is the fair market value on the date of such announcement (less any consideration payable for the same by the Shareholders) of the portion of the relevant offer attributable to one Share as determined in good faith by a financial adviser (as defined in 2026 Convertible Notes) on the date of such announcement.

LETTER FROM THE BOARD

Such adjustment shall become effective on the first date on which the Shares are traded ex-rights on the Stock Exchange.

Without prejudice to the above, if the Company shall at any time or from time to time prior to conversion of the 2026 Convertible Notes issue or sell any Shares or any options, warrants or other securities that are directly or indirectly convertible into, or exercisable or exchangeable for, such Shares (“**Equity Securities**”) at a price per Share (“**New Issue Price**”) that is less than the Conversion Price, then in effect as of the record date or issue date of such Equity Securities, as the case may be (treating the price per Share, in the case of the issuance of any Equity Securities, as equal to (x) the sum of the price for such Equity Securities plus any additional consideration payable (without regard to any anti-dilution adjustments) upon the conversion, exchange or exercise of such Equity Securities divided by (y) the number of Shares initially underlying such Equity Securities, other than issuance of any Shares upon conversion of the 2026 Convertible Notes), the Conversion Price then in effect before the date of announcement of such issue or sale shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} - \left(\frac{\text{A}}{\text{B}} \times \text{C} \right)$$

where: NCP means the new Conversion Price

OCP means the Conversion Price in effect before the date of announcement of such issue or sale

A is the maximum aggregate number of Shares so issued or sold or comprised in the option, warrants or other securities that are directly or indirectly convertible into, or exercisable or exchangeable for, such Shares

B is the number of Shares in issue immediately before such issue or sale

LETTER FROM THE BOARD

C means the difference between the OCP and the New Issue Price (provided that such difference shall not be less than zero)

Such adjustment shall be made whenever such Equity Securities are issued, and shall become effective retroactively (x) in the case of an issuance to Shareholders, as such, to a date immediately following the close of business on the record date for the determination of Shareholders entitled to receive such Equity Securities and (y) in all other cases, on the date of such issuance; provided, however, that the determination as to whether an adjustment is required to be made pursuant to this paragraph shall be made upon the issuance of Equity Securities, and not upon the issuance of any security into which the Equity Securities convert, exchange or may be exercised.

If at any time any Equity Securities or any rights or options to purchase any Equity Securities shall be issued or sold for cash, the consideration received therefor shall be deemed to be the amount received by the Company therefor, without deduction therefrom of any expenses incurred or any underwriting commissions or concessions or discounts paid or allowed by the Company in connection therewith. If Equity Securities or any rights or options to purchase any Equity Securities shall be issued or sold for a consideration other than cash, the amount of the consideration other than cash received by the Company shall be deemed to be the fair market value of such consideration, without deduction therefrom of any expenses incurred or any underwriting commissions or concessions or discounts paid or allowed by the Company in connection therewith.

The Company undertakes that it will not issue any Equity Securities if and to the extent that such issuance or sale will result in the Company being unable to comply with the adjustment provisions or in breach of the Listing Rules or applicable laws and regulations, and for the avoidance of doubt, a breach of this paragraph shall entitle the holder of the 2026 Convertible Notes to remedies expressly set out in the conditions of such notes only.

LETTER FROM THE BOARD

Transferability	Subject to the consent of the other holders of the 2026 Convertible Notes, the 2026 Convertible Notes are freely transferable, in whole or in part (being an authorised denomination) of the outstanding principal amount, to any person, subject to the Listing Rules and all applicable laws and regulations
Listing	<p>No application will be made for the listing of the 2026 Convertible Notes on the Stock Exchange or any other stock exchange</p> <p>Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares to be issued upon the exercise of the Conversion Rights.</p>
Ranking	<p>Obligations of the Company under the 2026 Convertible Notes are unsecured.</p> <p>The Conversion Shares to be issued upon the exercise of the Conversion Rights will be credited as fully paid and will rank <i>pari passu</i> in all respects with all other Shares outstanding at the date of exercise of the Conversion Rights and be entitled to all dividends and other distributions the record date of which falls on a date on or after the date of exercise of the Conversion Rights</p>
Voting	A holder of the 2026 Convertible Notes will not be entitled to receive notices of, attend or vote at any meetings of the Company by reason only of it being a holder of the 2026 Convertible Notes.
Redemption and repurchase	The outstanding principal amount of the 2026 Convertible Notes shall, unless previously redeemed, repaid or converted into Shares or purchased and cancelled in accordance with the conditions in the 2026 Convertible Notes, be redeemed in accordance with the Conditions on the third (3rd) anniversary of the issue date of the 2026 Convertible Notes or such later date as may be consented by the respective holder of the 2026 Convertible Notes.

LETTER FROM THE BOARD

The Company may, at any time after the issue date of the 2026 Convertible Notes on giving to the holders of the 2026 Convertible Notes not less than ten (10) Business Days' notice in writing (the "**Redemption Notice**"), elect to redeem the whole or any part of the 2026 Convertible Notes (in the authorised denominations) then outstanding. On the date of redemption as specified in the Redemption Notice, the Company shall effect payment of the principal amount of the relevant 2026 Convertible Notes to be redeemed together with all interest (accrued on the principal amount to be redeemed) up to (but excluding) the date of payment of the redemption monies.

Status

The obligations of the Company arising under the 2026 Convertible Notes constitute general, unconditional, unsubordinated obligations of the Company and rank, and shall rank equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law.

Restriction on the exercise of the Conversion Rights

The holders of the 2026 Convertible Notes agree and undertake to the Company that it shall not exercise any of the Conversion Rights to such an extent that results or will result in the respective holder of the 2026 Convertible Notes (or any of the parties acting in concert (within the meaning of the Takeovers Code) with it) being obliged to make a mandatory offer for all the Shares under the Takeovers Code unless (i) the mandatory offer obligations under the Takeovers Code have been complied with; or (ii) prior approval or waiver from the Executive, and (where so required) approval of the whitewash waiver by the Shareholders, have been obtained in accordance with the requirements of the Takeovers Code (and where any conditions to which such approval or waiver is subject are duly complied with).

LETTER FROM THE BOARD

If the issue of the Conversion Shares pursuant to the exercise of the Conversion Right would result in the Company failing to meet its obligation under the Listing Rules to maintain the minimum prescribed percentage of the Shares which must at all times remain in public hands (as defined in the Listing Rules) (the “**Public Float Requirement**”), then such Conversion Right shall be deemed to have been exercised pursuant to such conversion notice to the extent that the Company shall issue the maximum number of Conversion Shares under such conversion notice without breaching the Public Float Requirement. Any limitation on a Conversion Right with respect to a conversion notice under shall be without prejudice whatsoever to any later exercise of the Conversion Rights pursuant to a subsequent Conversion Notice.

The restriction provisions on exercise of the Conversion Rights under the 2026 Convertible Notes are the same.

Events of default

If any of the following events (“**Event(s) of Default**”) occurs, any holder of the 2026 Convertible Notes may give notice in writing that the relevant 2026 Convertible Note is immediately due and payable at its principal amount then outstanding together with any accrued and unpaid interest calculated up to and excluding the date of payment: -

- (a) the listing of the Shares (as a class) on the main board of the Stock Exchange:
 - (i) ceases permanently; or
 - (ii) is suspended for a continuous period of twenty-one (21) Business Days on each of which the Stock Exchange is generally open for trading (due to the default of the Company or any of its directors, officers or employees);
- (b) there is a change of control of the Company;
- (c) the Company fails to pay in accordance with the terms of the relevant 2026 Convertible Note, any sums hereunder when due unless non-payment of such sums is due solely to administrative or technical error and such failure is not remedied for seven (7) Business Days after the holder of the relevant 2026 Convertible Note has given notice thereof to the Company;

LETTER FROM THE BOARD

- (d) an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Company or any of its material subsidiaries (except for a members' voluntary solvent winding up of a material subsidiary), or the Company or any of its material subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the holder of the relevant 2026 Convertible Notes, or (ii) in the case of a material subsidiary, whereby the undertaking and assets of such subsidiary are transferred to or otherwise vested in the Company or another of its subsidiaries; or
- (e) any decree or order is made by any competent court adjudging the Company or any of its material subsidiaries insolvent or bankrupt under the insolvency or bankruptcy laws of any jurisdiction to which it may be subject or any order or application is made for the appointment of any liquidator, receiver, trustee, curator or sequestrator or other similar official of the Company or any of its material subsidiaries in respect of all or substantial part of its or their respective assets and which is not discharged within thirty (30) days (save for the purposes of an amalgamation, merger or reconstruction not involving insolvency);
- (f) the Company or any of its material subsidiaries is unable to pay its debts as they fall due; stops payment to creditors generally or ceases or threatens to cease to carry on its business or any substantial part thereof; proposes or enters into any composition, arrangement with or any assignment for the benefit of its creditors generally;

LETTER FROM THE BOARD

- (g) any consent, licence, approval or authorisation of any governmental agency of any country or state or political subdivision thereof required for or in connection with the execution, delivery, performance, legality, validity, enforceability or admissibility in evidence of the relevant 2026 Convertible Note is revoked or withheld or materially modified in a manner which, shall materially and adversely affect the ability of the Company to perform its obligations under the relevant 2026 Convertible Note or otherwise ceases to be in full force and effect; or
- (h) if it is or becomes impossible or unlawful in Hong Kong for the Company to fulfill any of its payment obligations contained in the relevant 2026 Convertible Note; or
- (i) any failure by the Company to deliver any Shares as and when the Shares are required to be delivered following conversion of the relevant 2026 Convertible Note; or
- (j) the Company does not perform or comply with any one or more of its other obligations in the relevant 2026 Convertible Note (other than in respect of those obligations described in (c) or (i) above) which default is incapable of remedy or, if capable of remedy, is not remedied within forty-five (45) days after written notice of such default shall have been given to the Company by the holder of the relevant 2026 Convertible Note; or

LETTER FROM THE BOARD

- (k) (A) any other present or future indebtedness of the Company or any of its material subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual default or event of default or the like (howsoever described), or (B) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (C) the Company or any of its material subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events under (A) to (C) mentioned above have occurred equals or exceeds HK\$50,000,000 or its equivalent (as reasonably determined on the basis of the middle spot rate for the relevant currency against the HK dollar as quoted by any leading bank on the day on which such indebtedness becomes due and payable or is not paid or any such amount becomes due and payable or is not paid under any such guarantee or indemnity); or
- (l) a distress, attachment, execution or other legal process is levied or enforced against any material part of the property, assets or revenues of the Company or any of its material subsidiaries and is not discharged or stayed within sixty (60) days; or
- (m) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Company or any of its material subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and such enforcement is not discharged or stayed within sixty (60) days,

provided that notwithstanding the foregoing, if the Company shall fail to issue the Conversion Shares in accordance with the conditions, the holders of the 2026 Convertible Notes shall be entitled to bring an action against the Company for specific performance.

LETTER FROM THE BOARD

Negative pledge

So long as the 2026 Convertible Notes remain outstanding, the Company will not, and will ensure that none of its subsidiaries will create, or have outstanding, any mortgage, charge, lien, pledge or other security interest upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock, bearer participation certificates, depositary receipts, certificates of deposit or other similar securities or instruments which for the time being are, or are intended to be or are capable of being, quoted, listed, dealt in or traded on any stock exchange or over-the-counter or other securities market (whether or not initially distributed by way of private placement) (“**Relevant Indebtedness**”), or any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the 2026 Convertible Notes the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as shall be approved by the holders of the 2026 Convertible Notes (such approval not to be unreasonably withheld or delayed).

Most favoured treatment

The Company shall not amend the *pari passu* ranking tenor, interest rate, conversion price, adjustment provisions to the conversion price, the conversion right, the negative pledge and the events of default provision under any of the 2026 Convertible Notes or insert any additional provisions which are, in the opinion of any holder of the 2026 Convertible Notes, on terms and conditions more favourable to it unless at the same time: -

- (a) the Company offers to amend the 2026 Convertible Notes the effect of which is to give the benefit of such more favourable terms and conditions to all holders of the 2026 Convertible Notes; and
- (b) to the extent the holders of the 2026 Convertible Notes accepts such offer, the Company executes such amendment.

Without taking into consideration the Share Consolidation, upon full conversion of the principal amount of the 2026 MG Convertible Note of approximately HK\$53.9 million at the initial Conversion Price, a total of maximum 1,282,692,045 2026 MG Conversion Shares with aggregate par value of HK\$0.01 will be issued, representing approximately 32.7% of the total existing issued share capital of the Company, approximately 24.6% of

LETTER FROM THE BOARD

the Company's total issued share capital as enlarged by the issue of the 2026 MG Conversion Shares and approximately 14.8% of the Company's total issued share capital as enlarged by the issue of the 2026 Conversion Shares assuming full conversion thereof.

Without taking into consideration the Share Consolidation, upon full conversion of the principal amount of the 2026 CTFN Convertible Note of approximately HK\$35.2 million at the initial Conversion Price, a total of maximum 838,503,140 2026 CTFN Conversion Shares with aggregate par value of HK\$0.01 will be issued, representing approximately 21.4% of the total existing issued share capital of the Company, approximately 17.6% of the Company's total issued share capital as enlarged by the issue of the 2026 CTFN Conversion Shares and approximately 9.7% of the Company's total issued share capital as enlarged by the issue of the 2026 Conversion Shares assuming full conversion thereof.

Without taking into consideration the Share Consolidation, upon full conversion of the principal amount of the 2026 DN Convertible Note of approximately HK\$52.7 million at the initial Conversion Price, a total of maximum 1,254,680,720 2026 DN Conversion Shares with aggregate par value of HK\$0.01 will be issued, representing approximately 32.0% of the total existing issued share capital of the Company, approximately 24.2% of the Company's total issued share capital as enlarged by the issue of the 2026 DN Conversion Shares and approximately 14.4% of the Company's total issued share capital as enlarged by the issue of the 2026 Conversion Shares assuming full conversion thereof.

Without taking into consideration the Share Consolidation, upon full conversion of the principal amount of the 2026 NV Convertible Note of approximately HK\$13.0 million at the initial Conversion Price, a total of maximum 310,000,000 2026 NV Conversion Shares with aggregate par value of HK\$0.01 will be issued, representing approximately 7.9% of the total existing issued share capital of the Company, approximately 7.3% of the Company's total issued share capital as enlarged by the issue of the 2026 NV Conversion Shares and approximately 3.6% of the Company's total issued share capital as enlarged by the issue of the 2026 Conversion Shares assuming full conversion thereof.

Without taking into consideration the Share Consolidation, upon full conversion of the principal amount of the 2026 GL Convertible Note of approximately HK\$45.2 million at the initial Conversion Price, a total of maximum 1,076,028,856 2026 GL Conversion Shares with aggregate par value of HK\$0.01 will be issued, representing approximately 27.4% of the total existing issued share capital of the Company, approximately 21.5% of the Company's total issued share capital as enlarged by the issue of the 2026 GL Conversion Shares and approximately 12.4% of the Company's total issued share capital as enlarged by the issue of the 2026 Conversion Shares assuming full conversion thereof.

Without taking into consideration the Share Consolidation, upon full conversion by the relevant Subscriber of the principal amount of the respective 2026 Convertible Notes (taking into account (i) the entire principal amount (as shown in the second column below)

LETTER FROM THE BOARD

and (ii) the maximum accrued interest assuming unpaid (as shown in the third column below)) at the initial Conversion Price, the maximum number of Conversion Shares entitled (having a par value of HK\$0.01 each) as stated in the fourth column below will be issued, representing such percentage of the Company's total existing issued share capital as stated in the sixth column below, and such percentage of the Company's total issued share capital as enlarged by the issue of all the 2026 Conversion Shares (assuming full conversion thereof) as stated in the last column below:

Subscriber	Total principal amount (HK\$' million)	Maximum interest to be accrued (HK\$' million)	Maximum number of Conversion Shares entitled	Maximum number of Conversion Shares entitled assuming completion of share consolidation	Percentage to the Company's total existing issued share capital as at the Latest Practicable Date (%)	Percentage of the Company's existing issued share capital, as enlarged by the issue of maximum number of Conversion Shares (%)
Moral Glory	53.9	4.8	1,398,134,329	139,813,432	35.6	15.3
CTFN	35.2	3.2	913,968,422	91,396,842	23.3	10.0
Dragon Noble	52.7	4.7	1,367,601,984	136,760,198	34.9	15.0
Next Victory	13.0	1.2	337,900,000	33,790,000	8.6	3.7
Glory Light	45.2	4.1	1,172,871,453	117,287,145	29.9	12.9

Investors should note that the conversion of the 2026 Convertible Notes is subject to the conversion restrictions under the 2026 Convertible Notes as mentioned above.

Conversion Price

The initial Conversion Price, HK\$0.042 per Conversion Share prior to effective of the Share Consolidation or HK\$0.42 per Conversion Share upon effective of the Share Consolidation, represents:

- (i) a premium of 13.5% over the closing price of HK\$0.037 per Share (based on the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day);
- (ii) a premium of approximately 22.8% over the average closing price of HK\$0.0342 per Share (based on the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day); and
- (iii) a premium of approximately 16.3% over the average closing price of HK\$0.0361 per Share (based on the closing prices of the Shares as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day).

LETTER FROM THE BOARD

The Conversion Price was arrived at after arm's length negotiation between the Company and the Subscribers after taking into account of (i) the prevailing market price of the Shares; (ii) the financial performance of Group which has been loss making since the year ended 30 June 2024 and the Group recorded loss attributable to owners of approximately HK\$19.0 million for the six months ended 31 December 2025; and (iii) the current market condition that, in particular as mentioned in the "Business Review" section of the interim report of the Company for the six months ended 31 December 2025, the current coal freight rates have yet to show indication of rebound in respect of the Group's logistics operations in Xinjiang. Given the financial performance of the Group was loss making, the parties did not set the Conversion Price with reference to the financial performance of the Group. Instead, the Conversion Price is set based on the prevailing market price of the Shares and the premium of the initial Conversion Price over the recent closing prices of the Shares represented the support given by the Subscribers to the Company.

Shareholding Structure of the Company

As at the Latest Practicable Date, the Share Options granted by the Company under its Share Option Scheme entitled the holders thereof to subscribe for an aggregate of 156,000,000 Shares (the "**Outstanding Share Options**"). Save as disclosed above, as at the Latest Practicable Date, there are no other outstanding options, warrants, derivatives, or other securities which carry rights to subscribe for or be converted into Shares.

The table below illustrates the shareholding structures of the Company as at the Latest Practicable Date under the following scenarios (assuming there is no other change in the issued share capital and shareholding structure of the Company from the Latest Practicable Date up to the occurrence of the relevant events mentioned below):

- | | |
|---------------|--|
| Scenario I: | immediately upon full conversion of the principal amount of the 2026 MG Convertible Note of HK\$53.9 million at the initial Conversion Price only; |
| Scenario II: | immediately upon full conversion of the principal amount of the 2026 CTFN Convertible Note of HK\$35.2 million at the initial Conversion Price only; |
| Scenario III: | immediately upon full conversion of the principal amount of the 2026 DN Convertible Note of HK\$52.7 million at the initial Conversion Price only; |
| Scenario IV: | immediately upon full conversion of the principal amount of the 2026 NV Convertible Note of HK\$13.0 million at the initial Conversion Price only; |

LETTER FROM THE BOARD

- Scenario V: immediately upon full conversion of the principal amount of the 2026 GL Convertible Note of HK\$45.2 million at the initial Conversion Price only;
- Scenario VI: for illustration purpose only, occurrence of scenarios I to V above only; and
- Scenario VII: for illustration purpose only, occurrence of scenarios I to V above and exercise of all outstanding share options of the Company
- Scenario VIII: for illustration purpose only, occurrence of scenarios I to VII above only and after the effective of the Share Consolidation
- Scenario IX: for illustration purpose only, occurrence of scenarios I to V above only and assuming no accrued interest have been paid out and converted to Conversion Shares

	As at the Latest Practicable Date		Scenario I (Note 3)		Scenario II		Scenario III		Scenario IV		Scenario V	
	Shares	%	Shares	%	Shares	%	Shares	%	Shares	%	Shares	%
Mr. Lo together with Moral Glory and its associates (Note 1)	1,247,809,889	31.80%	2,530,501,934	48.60%	1,247,809,889	26.20%	1,247,809,889	24.09%	1,247,809,889	29.47%	1,247,809,889	24.95%
Mr. N. Ho (Note 3)	17,821,973	0.45%	17,821,973	0.34%	17,821,973	0.37%	17,821,973	0.34%	17,821,973	0.42%	17,821,973	0.36%
Other directors of the Group (Note 2)	26,395,901	0.67%	26,395,901	0.51%	26,395,901	0.55%	26,395,901	0.51%	26,395,901	0.62%	26,395,901	0.53%
CTFN	-	-	-	-	838,503,140	17.61%	-	-	-	-	-	-
Dragon Noble	-	-	-	-	-	-	1,254,680,720	24.23%	-	-	-	-
Glory Light	-	-	-	-	-	-	-	-	-	-	1,076,028,856	21.52%
Public Shareholders												
Next Victory	-	-	-	-	-	-	-	-	310,000,000	7.32%	-	-
Other public Shareholders	<u>2,632,162,704</u>	67.08%	<u>2,632,162,704</u>	50.55%	<u>2,632,162,704</u>	55.27%	<u>2,632,162,704</u>	50.83%	<u>2,632,162,704</u>	62.17%	<u>2,632,162,704</u>	52.64%
Total	<u><u>3,924,190,467</u></u>		<u><u>5,206,882,512</u></u>		<u><u>4,762,693,607</u></u>		<u><u>5,178,871,187</u></u>		<u><u>4,234,190,467</u></u>		<u><u>5,000,219,323</u></u>	

LETTER FROM THE BOARD

	Scenario VI		Scenario VII		Scenario VIII		Scenario IX	
	Shares	%	Shares	%	Shares	%	Shares	%
Mr. Lo together with Moral Glory and its associates (Note 1)	2,530,501,934	29.13%	2,559,501,934	28.95%	255,950,193	28.95%	2,645,944,218	29.03%
Mr. N. Ho (Note 3)	17,821,973	0.21%	27,821,973	0.31%	2,782,197	0.31%	17,821,973	0.20%
Other directors of the Group (Note 2)	26,395,901	0.30%	104,395,901	1.18%	10,439,590	1.18%	26,395,901	0.29%
CTFN	838,503,140	9.65%	838,503,140	9.48%	83,850,314	9.48%	913,968,422	10.02%
Dragon Noble	1,254,680,720	14.45%	1,254,680,720	14.19%	125,468,072	14.19%	1,367,601,984	15.00%
Glory Light	1,076,028,856	12.39%	1,076,028,856	12.17%	107,602,885	12.17%	1,172,871,453	12.87%
Public Shareholders								
Next Victory	310,000,000	3.57%	310,000,000	3.51%	31,000,000	3.51%	337,900,000	3.71%
Other public Shareholders	<u>2,632,162,704</u>	30.30%	<u>2,671,162,704</u>	30.21%	<u>267,116,270</u>	30.21%	<u>2,632,162,704</u>	28.88%
Total	<u>8,686,095,228</u>		<u>8,842,095,228</u>		<u>884,209,521</u>		<u>9,114,666,655</u>	

Notes

- Among the 1,247,809,889 issued Shares (having a par value of HK\$0.01 each) held as at the Latest Practicable Date, 1,755,000 Shares represented interest of Mr. Lo on an individual basis; while 1,246,054,889 Shares represented interest of Moral Glory. Mr. Lo was also interested in 29,000,000 underlying shares (having the same par value) pursuant to Share Option Scheme of the Company.
- The other directors of the Group include Ms. Yvette Ong, Mr. Lo Rex Cze Kei, Mr. Lo Chris Cze Wai, Mr. Tsui Hing Chuen, William JP, Mr. Lau Wai Piu and Mr. Lee Kee Wai, Frank and directors of subsidiaries of the Company.
- As at the Latest Practicable Date, Mr. N. Ho was interested in 17,821,973 issued Shares (having a par value of HK\$0.01 each) and 10,000,000 underlying shares (having the same par value) pursuant to Share Option Scheme of the Company.

Pursuant to the terms of the 2026 Convertible Notes, each of the holders of the 2026 Convertible Notes agree and undertake to the Company that it shall not exercise any of the Conversion Rights to such an extent that results or will result in the respective holder of the 2026 Convertible Notes (or any of the parties acting in concert (within the meaning of the Takeovers Code) with it) being obliged to make a mandatory offer for all the Shares under the Takeovers Code unless (i) the mandatory offer obligations under the Takeovers Code have been complied with; or (ii) prior approval or waiver from the Executive, and (where so required) approval of the whitewash waiver by the Shareholders, have been obtained in accordance with the requirements of the Takeovers Code (and where any conditions to which such approval or waiver is subject are duly complied with). Accordingly, scenarios above are shown for illustrative purpose only.

- Certain percentage figures included in the tables above have been subject to rounding adjustment.

LETTER FROM THE BOARD

Information of the Subscribers

Moral Glory

Moral Glory, a company incorporated in the British Virgin Islands with limited liability, is an investment holding company and beneficially wholly-owned by Mr. Lo, who (among other capacities) is an executive Director.

CTFN

CTFN, is a company incorporated in Hong Kong with limited liability. CTFN is principally engaged in investment holding.

As at the Latest Practicable Date, CTFN is a direct subsidiary of Chow Tai Fook (Holding) Limited. Chow Tai Fook (Holding) Limited is an approximately 90.52%-owned subsidiary of Chow Tai Fook Capital Limited. Chow Tai Fook Capital Limited is owned as to approximately 48.98% by Cheng Yu Tung Family (Holdings) Limited and approximately 46.65% by Cheng Yu Tung Family (Holdings II) Limited.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, CTFN and its ultimate beneficial owners are not connected with the Company under the meaning of the Listing Rules.

Dragon Noble

Dragon Noble is a company incorporated in the British Virgin Islands. As at the Latest Practicable Date, Dragon Noble is wholly and beneficially owned by Dr. Cheng Kar Shun. Dr. Cheng is a former director of the Company during the period between November 2001 and February 2007.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Dragon Noble and its ultimate beneficial owner are not connected with the Company under the meaning of the Listing Rules.

Next Victory

Next Victory, a company incorporated in the British Virgin Islands with limited liability, is an investment holding company and beneficially wholly-owned by Ms. Wong Wing Yue Rosaline.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Next Victory and its ultimate beneficial owner are not connected with the Company under the meaning of the Listing Rules.

LETTER FROM THE BOARD

Glory Light

Glory Light, a company incorporated in Hong Kong with limited liability, is an investment holding company and beneficially wholly-owned by Mr. C. Ho, son of Mr. N. Ho (an executive Director).

Use of Proceeds

Upon completion of the Subscriptions, the aggregate amount raised under the Subscriptions is HK\$200 million. After deduction of the relevant costs and expenses of approximately HK\$1.8 million, the net proceeds are estimated to be approximately HK\$198.2 million, the Directors intend to use the net proceeds in the following manner:

- (i) HK\$150 million for development of logistics business by expanding the Group's electric truck fleets by acquiring not less than 150 electric trucks and procurement and installation of ancillary facilities (including but not limited to electric truck chargers) by 2027;
- (ii) HK\$20 million for gold and minerals exploration in Mongolia, including but not limited to carrying out superconducting mineral exploration, exploration drilling, sample testing and exploration campsite set up which is expected to be carried out and completed by the end of 2027; and
- (iii) the remaining balances will be used for general working capital which will be applied for purposes including but not limited to, staff expenses, legal and professional fees, payment of interest expenses, and other general and administrative expenses incurred in the operation of the Group's business.

The Company may reallocate the use of the net proceeds in response to changing business conditions and will comply with the relevant Listing Rules Requirements and make appropriate disclosure(s) regarding the change(s), if any, in due course.

Reasons for and Benefits of the Subscriptions

The Group is principally engaged in logistics services, aircraft management, minerals exploration and property investment.

Logistics services operation

The Group, through VVLJV, an indirect non-wholly owned subsidiary of the Company in Xinjiang, the PRC, has engaged in the logistics business since 2021.

LETTER FROM THE BOARD

The PRC has outlined a national strategy to promote large-scale application of new energy heavy duty trucks by 2027, with an aim of dominating the national market by 2035. This is part of a broader plan of the PRC to build a modern, low-carbon energy system for the transport industry. The policy supports China's broader goals of carbon peaking by 2030 and carbon neutrality by 2060, and reflects a strong commitment to decarbonizing freight transport. It is the national goal that by 2035, electric vehicles (including heavy-duty trucks) will dominate new vehicle sales. The Xinjiang region, like all other parts of the country, actively implements the national strategies for sustainable development and environmental protection.

As a key area of ecological protection zones, Xinjiang has implemented strict restrictions on high-emission heavy-duty trucks. In northern Xinjiang (including Qinghe), starting in 2026, new energy heavy-duty trucks will be given priority on core transportation corridors.

VVLJV has built its logistics business since 2021 and has now become the Group's core business and primary revenue contributor. Leveraging on such business segment, it has been the strategic plan of the Group to expand into the new energy logistics sector by adding additional and modern trucks to its fleet.

Many of the Group's customers, being coking plants, steel plants and refineries, have been requesting for the use of new energy trucks for transportation to comply with their environmental and sustainable policies. VVLJV deployed 40 electric heavy-duty trucks for initial test run in 2025 for provision of short and medium-distance logistics services to customers within Qinghe County of Xinjiang in response to the national environmental protection strategies. The electrified operation has served to verify the electric trucks' adaptability, route compatibility, and operational economics, laying the foundation for a large-scale expansion.

In order to seize a market share quickly in the new energy logistics services market in Xinjiang and to improve profit margins, the Group has planned to purchase another 160 electric heavy-duty trucks with ancillary charging facilities in 2026. In January, the Group has already ordered 10 electric heavy duty trucks to facilitate its developments. The estimated costs for purchasing the additional electric heavy-duty trucks with ancillary charging facilities amounted to about HK\$150 million.

Exploration

The Company through FVSP LLC ("FVSP"), its 51% owned indirect subsidiary, hold a mining licence MV-021621 with gold and other mineral resources in Mongolia.

The mining licence was granted by the Mongolian government in July 2020 for an initial period of 30 years. As at the Latest Practicable Date, the mining area covers an area of 3,560.83 hectares.

LETTER FROM THE BOARD

FVSP has carried out extensive exploration works, including prospecting reconnaissance, geological mapping, geochemical sampling, geophysical surveys, trench excavation, and drilling at the licence area (“**Zoolon Project**”). Through systematic exploration over the past years, FVSP has discovered epithermal gold and silver deposits (the “**Zoolon Deposit**”) within the licence area, and identified several high-potential exploration targets. Of these, there are six target areas having high potential for further developments, namely Target 3, Target 7, Target 9, Target 10, Target 15 and Target 18. Target 7 is the main target area with gold and other mineral resources potential. Apart from gold, the Zoolon Deposit also has mineral resources of silver, copper, lead and zinc.

The Zoolon Project is located in the Altai Soum of Gobi-Altai Province. The project is approximately 1,300 km southwest of Ulaanbaatar, capital city of Mongolia, and is approximately 180 km northwest of the Burgastai port in the Mongolian and Chinese border.

In 2025, the feasibility study designed to satisfy the Mongolian regulatory requirements for the Zoolon Deposit was prepared by Glogex LLC, a qualified Mongolian consulting firm to undertake the assignment (“**Feasibility Report**”). The Feasibility Report has been submitted to the Mongolian government for review. The resource report of the Zoolon Deposit in Mongolian standards (“**Resource Report**”) was formally approved by the Mongolian government in November 2025.

In light of the sustained upward trend in the bullion market since 2024, coupled with recent sharp fluctuations in gold prices, management is conducting a comprehensive assessment of the future direction of the Zoolon Project, including the possibility of further exploration and/or initiating trial production. Regardless of the final decision, both the Resources Report and the Feasibility Report are prerequisite documents that must be approved by the Mongolian government before mining operations can commence. Accordingly, these reports have been prepared and submitted in strict compliance with governmental requirements to expedite the approval process should the mining operation proceed.

According to the Feasibility Report, the Zoolon Project has significant exploration potential, including potential extensions to the Zoolon Deposit. The present resources availability is limited to the shallow oxidation zone and the open-pit mining portion above the primary ore. The high-grade polymetallic ore body (Cu-Pb-Zn-Ag-Au) at greater depths (>150 meters) and the surrounding target areas (Targets 3, 10, 15 and 18) represent the main potential for future addition of resources. They are located within a radius of approximately 6 kilometers of the Zoolon Deposit. Currently, as there is insufficient data to demonstrate the continuity of geology and grade in these target areas; therefore, the mineral resource quantity cannot be delineated and further exploration is required. These target

LETTER FROM THE BOARD

areas are the major focus of FVSP's exploration from 2026 onwards. According to the estimation of FVSP's geologist, the exploration budget for these target areas are approximately US\$5.15 million for 2026 and 2027.

The open pit shell of the Zoolon Deposit demonstrates reasonable prospect for eventual economic extraction. In light of the current surge in the bullion market, apart from continuing exploration, management is also actively evaluating/planning for trial production while awaiting approval of the Feasibility Report by the Mongolian government.

Taking into account the exploration budget of approximately US\$5.15 million for 2026 and 2027 and the Company's 51% indirect interest in FVSP, the exploration cost to be contributed by the Group will be amounted to US\$2.63 million (equivalent to approximately HK\$20 million).

To finance the funding requirement for purchasing the additional electric heavy-duty trucks with ancillary charging facilities amounting to HK\$150 million and the exploration cost to be contributed by the Group of HK\$20 million, the Group considered financing such funding requirements by the proceeds from the issue of the 2026 Convertible Notes.

The Board has considered various ways to raise funds including but not limited to possible debt or other means of equity fund raising including new shares placement and rights issue. The Board considers that fund raising by way of new Share placement will create immediate dilution on the shareholding of the existing Shareholders. In terms of rights issue, the management of the Group considered it will take longer time to complete as it involves additional steps such as the issuance of prospectus and offer period under the Listing Rules. Nevertheless the Group had explored possible underwriters for underwriting a possible rights issue, however, due to the loss making position of the Group, the underwriters were reluctant to underwrite the rights issue or requested substantial underwriting fees, in which would result in higher cost as compared to the issue of the 2026 Convertible Note. In terms of debt financing, as the management of the Group has approached certain financial institutions and based on their discussions, the Company was given to understand that considering the Group's financial performance and position, without substantial asset as collaterals, financial institutions were reluctant to provide financing or the borrowing rates of the Company is expected to be substantially higher than the interest rate of the 2026 Convertible Notes. Having considered the above other means, the Board is of the view that fundraising by way of issue of the 2026 Convertible Notes is suitable for the Company. Furthermore, the Board believe the Subscriptions to be beneficial to improve and strengthen the Group's liquidity and financial position on a longer-term basis as the 2026 Convertible Notes are of a three-year tenor. In the event that the holders of the 2026 Convertible Notes convert part or the full amount of the 2026 Convertible Notes into the Conversion Shares, it will also broaden the Shareholder and capital base of the Company.

LETTER FROM THE BOARD

In view of the reasons above, the Board (excluding Mr. Lo, Mr. Lo, Rex Cze Kei, Mr. Lo, Chris Cze Wai, Mr. Lo, James Cze Chung and Mr. N. Ho who have abstained from voting on the relevant board resolution to approve the Subscriptions) are of the view that the terms of the 2026 Subscription Agreements are on normal commercial terms and the entering into of the 2026 Subscription Agreements are fair and reasonable and is in the interests of the Company and its Shareholders as a whole. The view of the Independent Board Committee will be set forth in the Circular after having been advised by the Independent Financial Advisor.

3. PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

Proposed Share Consolidation

The Board proposes to implement the Share Consolidation pursuant to which every ten (10) Existing Shares having a par value of HK\$0.01 each in the share capital of the Company will be consolidated into one (1) Consolidated Share having a par value of HK\$0.1 each. As at the Latest Practicable Date, the authorised share capital of the Company is HK\$200,000,000 divided into 20,000,000,000 Existing Shares having a par value of HK\$0.01 each, and 3,924,190,467 Existing Shares have been allotted and issued as fully paid or credited as fully paid.

As at the Latest Practicable Date, the Existing Shares are traded on the Stock Exchange in board lot size of 5,000 Existing Shares. Subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange is also proposed to be changed from 5,000 Existing Shares to 10,000 Consolidated Shares.

Conditions of the proposed Share Consolidation

The Share Consolidation is conditional upon the fulfilment of the following conditions:

- (i) the passing of an ordinary resolution to approve the Share Consolidation by the Shareholders at the EGM;
- (ii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (iii) the compliance with the relevant procedures and requirements under the Cayman Islands laws (where applicable) and the Listing Rules to effect the Share Consolidation.

LETTER FROM THE BOARD

As at the Latest Practicable Date, none of the conditions precedent above had been fulfilled. Subject to the fulfilment of all the conditions precedent of the Share Consolidation as set out above, the effective date of the Share Consolidation is expected to be on or about Wednesday, 27 May 2026, being the second Business Day immediately after the date of the EGM.

Effects of the proposed Share Consolidation

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$200,000,000 divided into 20,000,000,000 Existing Shares having a par value of HK\$0.01 each.

Upon the Share Consolidation becoming effective and assuming that there are no changes in the authorised share capital of the Company from the Latest Practicable Date until the effective date of the Share Consolidation, the authorised share capital of the Company will become HK\$200,000,000 divided into 2,000,000,000 Consolidated Shares having a par value of HK\$0.1 each.

As at the Latest Practicable Date, 3,924,190,467 Existing Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming that no further Shares will be issued or repurchased and cancelled from the Latest Practicable Date until the effective date of Share Consolidation, 392,419,046.7 Consolidated Shares (i.e. 392,419,046 whole Consolidated Shares) will be in issue.

Adjustment to outstanding Share Options

According to the rules of the Share Option Scheme, in the event of any alteration in the capital structure of the Company, whether by way of capitalisation issue, rights issue, consolidation, or sub-division of Shares or reduction of the share capital of the Company (other than an issue and allotment of Shares as consideration in respect of a transaction to which any member of the Group is a party or an issue or allotment of Shares as part of a scrip dividend scheme or similar schemes or an issue and allotment of Shares pursuant to the Share Option Scheme or any other schemes of the Company) whilst any Share Options remain exercisable, the Company shall make corresponding alterations (if any) to: (i) the number of Shares subject to options already granted so far as they remain unexercised; and/or (ii) the subscription price; and/or (iii) the maximum number of Shares, or any combination thereof as the auditor of the Company or the independent financial advisor to the Company shall at the request of the Company certify in writing to the Board either generally or as regards any particular grantee that the adjustments are in their opinion fair and reasonable and any adjustments so made shall be in compliance with the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange.

LETTER FROM THE BOARD

As at the Latest Practicable Date, there were outstanding Share Options granted under the Share Option Scheme to subscribe for 156,000,000 Existing Shares. The Directors will determine, according to the rules of the Share Option Scheme, the adjustments (if any) required to be made in respect of the outstanding options as a result of the Share Consolidation. As the adjustments to the outstanding options are subject to the Share Consolidation taking effect and the written confirmation by the auditors of the Company or the independent financial advisor appointed by the Company, the Company cannot determine the adjustments to be made as at the Latest Practicable Date. The Company will make further announcements regarding the adjustments in accordance with the Listing Rules in due course.

Save as aforesaid, the Company does not have any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares, as at the Latest Practicable Date.

Status of the Consolidated Shares

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders.

Listing application

An application will be made by the Company to the Listing Committee for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

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

None of the Existing Shares are listed or dealt in on any other stock exchanges other than the Stock Exchange, and at the time when the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal in is being or is proposed to be sought.

LETTER FROM THE BOARD

Proposed Change in Board Lot Size

As at the Latest Practicable Date, the Existing Shares are traded on the Stock Exchange in board lot size of 5,000 Existing Shares. It is proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 5,000 Existing Shares to 10,000 Consolidated Shares. Based on the closing price of HK\$0.045 per Existing Share (equivalent to the theoretical closing price of HK\$0.45 per Consolidated Share upon the Share Consolidation becoming effective) as quoted on the Stock Exchange as at the Latest Practicable Date, (i) the value of each board lot of 5,000 Existing Shares is HK\$225; (ii) the value of each board lot of 5,000 Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK\$2,250; and (iii) the estimated value of each board lot of 10,000 Consolidated Shares would be HK\$4,500 on the assumption that the Change in Board Lot Size had also become effective.

Reasons for the Proposed Share Consolidation and Change in Board Lot Size

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of securities. Further, the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and last updated in September 2024 has further stated that (i) market price of the securities at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000. The “Consultation Paper on Board Lot Framework Enhancements in the Hong Kong Securities Market” issued by the Hong Kong Exchanges and Clearing Limited has proposed that, the existing board lot value floor to be decreased from HK\$2,000 to HK\$1,000.

The Company has considered alternative ratios for the Share Consolidation. After careful consideration, the Board determined that the proposed ratio of 10 into 1 is appropriate as it strikes a balance between increasing the trading price per Share and minimizing the potential impact of odd lots and fractional Shares on Shareholders. The Company believes that a lower consolidation ratio may not sufficiently address the trading price and board lot value concerns, whereas a higher ratio could create greater inconvenience for Shareholders.

LETTER FROM THE BOARD

In view that (i) the trading prices of the Existing Shares have remained below HK\$0.10 for more than two years; and (ii) the Existing Shares are trading under HK\$2,000 per board lot based on the closing price of HK\$0.045 per Existing Share as quoted on the Stock Exchange as at the Latest Practicable Date and the board lot size of 5,000 Existing Shares, the Board proposes to effect the Share Consolidation in order to comply with the trading requirements of the Listing Rules and together with the Change in Board Lot Size the expected board lot value will be HK\$4,500, which will be greater than HK\$2,000.

In view of the recent trading prices of the Shares, it is considered that the Share Consolidation and the Change in Board Lot Size will enable the Company to comply with the trading requirements under the Listing Rules and reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks or securities houses will charge minimum transaction costs for each securities trade. With a corresponding upward adjustment in the trading price of the Consolidated Shares, it is believed that the Share Consolidation and the Change in Board Lot Size will maintain the trading amount for each board lot at a reasonable level and make investing in the Shares more attractive to a broader range of investors, and thus further broaden the shareholder base of the Company.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may otherwise be entitled and the Change in Board Lot Size will not result in any change in the relative rights of the Shareholders.

In view of the above reasons, the Company considers that the Share Consolidation and the Change in Board Lot Size is justifiable to achieve the above-mentioned purposes notwithstanding the potential costs and impact arising from creation of odd lots to Shareholders. Taking into account the potential benefits and the insignificant amount of costs to be incurred, the Board is of the view that the Share Consolidation and the Change in Board Lot Size is beneficial to and in the interests of the Company and the Shareholders as a whole.

4. OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

LETTER FROM THE BOARD

Arrangement on odd lots trading and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation and the Change in Board Lot Size, the Company has appointed Halcyon Securities Limited as an agent to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares during the period from 9:00 a.m. on Wednesday, 10 June 2026 to 4:00 p.m. on Thursday, 2 July 2026 (both days inclusive). Shareholders who wish to take advantage of this facility either to dispose of their odd lots of the Consolidated Shares or to top up their odd lots of the Consolidation Shares to a full new board lot may directly or through their broker contact Mr. Gilbert Lam of Halcyon Securities Limited at Rm 3401, 34/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (telephone: (852) 3970 0990 and facsimile: (852) 3970 0998) in the aforesaid period.

The Shareholders should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

Exchange of share certificates

Subject to the Share Consolidation becoming effective, which is currently expected to be on Wednesday, 27 May 2026, being the second Business Day immediately after the date of the EGM, the Shareholders may during business hours, on or after Wednesday, 27 May 2026, and until Monday, 6 July 2026 (both dates inclusive) submit existing share certificates in the colour of light gold for the Existing Shares to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, in exchange for new share certificates in the colour of light green for the Consolidated Shares at the expense of the Company.

Thereafter, share certificates of the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of share certificates cancelled/issued is higher.

Subject to the Share Consolidation becoming effective, after 4:10 p.m. on Thursday, 2 July 2026, trading will only be in Consolidated Shares and existing share certificates for the Existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

LETTER FROM THE BOARD

5. FUND RAISING EXERCISE IN THE PAST 12 MONTHS

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

6. LISTING RULES IMPLICATIONS

In respect of the Subscriptions

As at the Latest Practicable Date, Mr. Lo directly holds 1,755,000 Existing Shares and indirectly through Moral Glory (which is wholly and beneficially owned by Mr. Lo) holds 1,246,054,889 Existing Shares, being a total of 1,247,809,889 Shares, representing approximately 31.80% of the existing issued share capital of the Company and as such, Moral Glory is a substantial shareholder of the Company. As Moral Glory is a substantial shareholder and its sole beneficial owner is an executive Director (i.e. Mr. Lo), Moral Glory is therefore a connected person of the Company and the 2026 MG Subscription constitutes a connected transaction for the Company and is subject to reporting, announcement and independent Shareholders' approval requirements under the Listing Rules. In view of the interest of Mr. Lo in the Subscription, Mr. Lo, Rex Cze Kei, Mr. Lo, Chris Cze Wai and Mr. Lo, James Cze Chung, being the sons of Mr. Lo and Mr. Lo have abstained from voting on the relevant board resolution(s) to approve the Subscriptions.

Furthermore, Glory Light is wholly and beneficially owned by Mr. C. Ho, son of Mr. N. Ho, who is an executive Director. Accordingly, Glory Light is therefore a connected person of the Company and the 2026 GL Subscription constitutes a connected transaction for the Company and is subject to reporting, announcement and independent Shareholders' approval requirements under the Listing Rules. Mr. N. Ho have abstained from voting on the relevant board resolution(s) to approve the Subscriptions.

The 2026 MG Conversion Shares and the 2026 GL Conversion Shares to be allotted and issued pursuant to the 2026 MG Convertible Notes and the 2026 GL Convertible Notes, respectively, are proposed to be issued pursuant to a Specific Mandate to be granted by the Independent Shareholders by way of poll at the EGM.

Given that each of the 2026 Subscription Agreements is conditional to one another, all the transactions contemplated under the 2026 Subscription Agreements will therefore be subject to the approval of the Independent Shareholders by way of poll at the EGM. Mr. Lo, Moral Glory, Mr. Lo Rex Cze Kei, Mr. Lo Chris Cze Wai, Mr. N. Ho and their respective associates, who has control over the exercise of voting rights in respect of the Shares held by them, will abstain from voting on the proposed resolution(s) to approve the Subscriptions at the EGM. An application will be made to the Listing Committee for the listing of, and permission to deal in, not more than 5,190,476,188 Conversion Shares. Upon completion of the Subscriptions, an announcement regarding the respective principal amounts and maximum accrued interests of the 2026 Convertible Notes and the number of Conversion Shares issuable thereunder will be made by the Company.

LETTER FROM THE BOARD

Somerley has been appointed as the independent financial advisor to make recommendation to the independent Shareholders and the Independent Board Committee which comprises all independent non-executive Directors, namely Mr. Tsui Hing Chuen, William JP, Mr. Lau Wai Piu, Mr. Lee Kee Wai, Frank and Mr. Wei, Chi Kuan Kenny as to whether the Subscriptions are fair and reasonable and to advise the independent Shareholders on how to vote on the proposed resolutions in respect thereof at the EGM, and such appointment has been approved by the Independent Board Committee.

The issue of the 2026 Convertible Notes and the issue and allotment of the Conversion Shares are subject to the Specific Mandate to be sought at the EGM.

In respect of the Share Consolidation

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Share Consolidation. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as none of the Shareholders or their associates would have a material interest in the Share Consolidation, no Shareholder will be required to abstain from voting on the resolution relating to the proposed Share Consolidation.

7. EGM

A notice convening the EGM to be held at 10th Floor, United Centre, 95 Queensway, Admiralty, Hong Kong on Friday, 22 May 2026 at 11:00 a.m. is set out on pages EGM-1 to EGM-4 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM in person, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish.

8. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 19 May 2026 to Friday, 22 May 2026, both dates inclusive. During such period, no transfer of Shares will be registered. For the purposes of ascertaining the Shareholders' entitlement to attend and vote at the EGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 18 May 2026. The record date for the purpose of determining the eligibility of the Shareholders to attend and vote at the EGM is therefore Friday, 22 May 2026.

LETTER FROM THE BOARD

9. RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders set out on pages 52 to 53 of this circular and the letter from the Independent Financial Advisor on pages 54 to 90 of this circular which contain their advice to the Independent Board Committee and the Independent Shareholders regarding the 2026 Subscription Agreements and the transactions contemplated thereunder as well as the principal factors and reasons taken into consideration in arriving at their advice.

The Directors, including the independent non-executive Directors (excluding Mr. Lo, Mr. Lo, Rex Cze Kei, Mr. Lo, Chris Cze Wai, Mr. Lo, James Cze Chung and Mr. N. Ho who have abstained from voting on the relevant board resolution to approve the Subscriptions), consider that the terms of the 2026 Subscription Agreements and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors, including the independent non-executive Directors, recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the 2026 Subscription Agreements and the transactions contemplated thereunder. You are advised to read the letter from the Independent Board Committee and the letter from the Independent Financial Advisor mentioned above before deciding how to vote at the EGM.

The Directors also consider that the Share Consolidation is in the interest of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the proposed resolution approving the Share Consolidation at the EGM.

10. ADDITIONAL INFORMATION

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

Yours faithfully,
By order of the Board
Vision Values Holdings Limited
Tang Chi Kei
Company Secretary

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

VISION VALUES HOLDINGS LIMITED

遠見控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 862)

5 May 2026

To the Independent Shareholders,

Dear Sir/Madam

**CONNECTED TRANSACTION
IN RELATION TO SUBSCRIPTION
OF THE 2026 CONVERTIBLE NOTES**

We refer to the circular dated 5 May 2026 (the “**Circular**”) to the Shareholders, of which this letter forms part. Unless specified otherwise, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

In accordance with the requirements under the Listing Rules, we have been appointed to consider and advise the Independent Shareholders as to whether the 2026 Subscription Agreements and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and the Subscriptions in the interests of the Company and the Shareholders as a whole. Somerley Capital Limited has been appointed as the Independent Financial Advisor to advise us and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board as set out on pages 10 to 51 in the Circular and the letter from the Independent Financial Advisor to the Independent Board Committee and the Independent Shareholders as set out on pages 54 to 90 in the Circular which contains its advice to us and the Independent Shareholders in respect of the Subscriptions.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the information contained in the letter from the Board and taking into account the advice and recommendation given by the Independent Financial Advisor, we consider that the entering into of the 2026 Subscription Agreements, though is not in the ordinary and usual course of business of the Company, the 2026 Subscriptions Agreements and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

We therefore recommend the Independent Shareholders to vote in favor of the ordinary resolution to be proposed at the EGM to approve the Subscriptions and the transactions contemplated thereunder.

Yours faithfully,

**Independent Board Committee of
Vision Values Holdings Limited**

Mr. Tsui Hing Chuen,
William JP

Mr. Lau Wai Piu

Mr. Lee Kee Wai,
Frank

Mr. Wei, Chi Kuan
Kenny

Independent Non-executive Directors

LETTER FROM SOMERLEY CAPITAL LIMITED

The following is the text of a letter of advice from Somerley Capital Limited prepared for the purpose of inclusion in this circular, setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the Subscriptions for inclusion in this Circular.



SOMERLEY CAPITAL LIMITED

20th Floor
China Building
29 Queen's Road Central
Hong Kong

5 May 2026

To: The Independent Board Committee and the Independent Shareholders

Dear Sirs,

CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTION OF THE 2026 CONVERTIBLE NOTES

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee in connection with the Subscriptions, details of which are set out in the letter from the Board contained in the circular to the Shareholders dated 5 May 2026 (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 otherwise requires.

After trading hours on 13 April 2026, the Company entered into five separate 2026 Subscription Agreements with each of the Subscribers for the 2026 Convertible Notes, pursuant to which the Company conditionally agreed to issue and each of the Subscribers conditionally agreed to subscribe for the respective 2026 Convertible Notes in an aggregate amount of HK\$200 million.

As at the Latest Practicable Date, Mr. Lo directly holds 1,755,000 Existing Shares and indirectly through Moral Glory (which is wholly and beneficially owned by Mr. Lo) holds 1,246,054,889 Existing Shares, being a total of 1,247,809,889 Shares, representing approximately 31.80% of the existing issued share capital of the Company, and as such, Moral Glory is a substantial shareholder of the Company. As Moral Glory is a substantial shareholder and its sole beneficial owner is an executive Director (i.e. Mr. Lo), Moral Glory is therefore a connected person of the Company and the 2026 MG Subscription constitutes a connected transaction for the Company and is subject to reporting, announcement and independent Shareholders' approval requirements under the Listing Rules.

LETTER FROM SOMERLEY CAPITAL LIMITED

Glory Light is wholly and beneficially owned by Mr. C. Ho, son of Mr. N. Ho, who is an executive Director. Accordingly, Glory Light is a connected person of the Company and the 2026 GL Subscription constitutes a connected transaction for the Company and is subject to reporting, announcement and independent Shareholders' approval requirements under the Listing Rules.

The 2026 MG Conversion Shares and the 2026 GL Conversion Shares to be allotted and issued pursuant to the 2026 MG Convertible Notes and the 2026 GL Convertible Notes, respectively, are proposed to be issued pursuant to a Specific Mandate to be granted by the Independent Shareholders by way of poll at the EGM.

Given that each of the 2026 Subscription Agreements is conditional to one another, all the transactions contemplated under the 2026 Subscription Agreements will therefore be subject to the approval of the Independent Shareholders by way of poll at the EGM. Mr. Lo, Moral Glory, Mr. Lo Rex Cze Kei, Mr. Lo Chris Cze Wai, Mr. N. Ho and their respective associates, who has control over the exercise of voting rights in respect of the Shares held by them, will abstain from voting on the proposed resolution(s) to approve the Subscriptions at the EGM. An application will be made to the Listing Committee for the listing of, and permission to deal in, not more than 5,190,476,188 Conversion Shares.

We, Somerley Capital Limited, has been appointed as the independent financial adviser to advise the independent Shareholders and the Independent Board Committee which comprises all the independent non-executive Directors, namely Mr. Tsui Hing Chuen, William *JP*, Mr. Lau Wai Piu, Mr. Lee Kee Wai, Frank, and Mr. Wei, Chi Kuan Kenny, as to whether the Subscriptions are fair and reasonable and to advise the independent Shareholders on how to vote on the proposed resolutions in respect thereof at the EGM.

We are not associated or connected with the Company, the Subscribers or their respective substantial shareholders or associates and, accordingly, are considered eligible to give independent advice on the Subscriptions. Apart from normal professional fees payable by the Company to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, the Subscribers or their respective substantial shareholders or associates.

LETTER FROM SOMERLEY CAPITAL LIMITED

In formulating our advice and recommendation, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Company (collectively, the “**Management**”), which we have assumed to be true, accurate, complete and not misleading as at the date of this letter. We have reviewed the published information on the Company, including the annual report of the Company for the year ended 30 June 2024 (“**FY2024**”) (the “**2024 Annual Report**”), annual report of the Company for the year ended 30 June 2025 (“**FY2025**”) (the “**2025 Annual Report**”) and the interim report of the Company for the six months ended 31 December 2025 (“**1H2026**”), (“**2026 Interim Report**”) and other information contained in the Circular. We have sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed by them. We consider that the information we have received is sufficient for us to reach our opinion and advice as set out in this letter. We have no reason to doubt the truth, accuracy or completeness of the information provided to us or to believe that any material facts have been omitted or withheld. We have not, however, conducted any independent investigation into the business and affairs of the Group, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation with regard to the Subscriptions, we have taken into account the following principal factors and reasons:

1. Information on the Group

1.1 Background information of the Group

The Company is a limited liability company incorporated in the Cayman Islands. The Shares have been listed on the Stock Exchange since 14 October 1998.

The Group is principally engaged in logistics services, aircraft management, minerals exploration and property investment.

LETTER FROM SOMERLEY CAPITAL LIMITED

1.2 Financial performance of the Group

Set out below is key financial information on the Group as extracted from the consolidated statement of profit or loss for the year ended 30 June 2023 (“FY2023”), FY2024 (as extracted from the 2025 Annual Report), FY2025 and interim results for the six months ended 31 December 2024 (“1H2025”) and 1H2026, details of which are set out in the 2024 Annual Report, 2025 Annual Report and the 2026 Interim Report:

	For the six months ended		For the financial year ended		
	31 December		30 June		
	2025	2024	2025	2024	2023
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	193,135	224,073	390,530	524,823	400,723
<i>Segment revenue:-</i>					
– logistics services	163,086	207,251	359,003	456,052	352,125
– property investment	1,117	1,492	2,980	5,136	6,077
– minerals exploration	–	–	–	–	–
– private jet management services	13,632	13,601	27,090	32,322	29,120
– Others	15,300	1,729	1,457	31,313	13,401
<i>Segment results:-</i>					
– logistics services	28,500	30,265	55,601	46,848	43,974
– property investment	797	1,143	2,301	3,989	4,981
– minerals exploration	–	–	–	–	–
– private jet management services	6,748	6,153	12,805	13,634	11,488
– Others	4,857	511	764	4,028	2,485
Other gains/(losses), net	90	(108)	1,500	271	1,419

LETTER FROM SOMERLEY CAPITAL LIMITED

	For the six months ended		For the financial year ended		
	31 December		30 June		
	2025	2024	2025	2024	2023
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Cost of inventories	–	(221)	(221)	(2,538)	(1,896)
Subcontracting fees for project services	–	(3)	(3)	(1,515)	(8,455)
Direct operating costs for private jet management services	(6,884)	(7,448)	(14,285)	(18,688)	(17,633)
Direct operating costs for logistic services	(134,586)	(178,884)	(303,402)	(399,335)	(297,117)
Direct operating costs for trading of minerals	(10,443)	(409)	(469)	(18,064)	–
Fair value losses on investment properties	(18,343)	(19,126)	(34,410)	(44,112)	3,784
Employee benefit expenses	(17,405)	(13,330)	(28,097)	(34,983)	(40,891)
Depreciation	(3,240)	(3,205)	(6,369)	(6,913)	(7,431)
Other expenses	<u>(13,120)</u>	<u>(12,830)</u>	<u>(34,745)</u>	<u>(26,556)</u>	<u>(20,491)</u>
Operating (loss)/profit	(10,796)	(11,491)	(29,971)	(27,610)	12,012
Finance income	36	90	132	127	413
Finance costs	<u>(3,897)</u>	<u>(4,828)</u>	<u>(9,067)</u>	<u>(9,859)</u>	<u>(7,291)</u>
(Loss)/profit before income tax	(14,657)	(16,229)	(38,906)	(37,342)	5,134
Income tax expense	<u>(4,339)</u>	<u>(3,818)</u>	<u>(6,945)</u>	<u>(6,469)</u>	<u>(4,745)</u>
Loss for the period/year	<u>(18,996)</u>	<u>(20,047)</u>	<u>(45,851)</u>	<u>(43,811)</u>	<u>389</u>
<i>Losses attributable to:</i>					
Owners of the Company	(25,521)	(27,382)	(56,193)	(56,467)	(10,029)
Non-controlling interests	<u>6,525</u>	<u>7,335</u>	<u>10,342</u>	<u>12,656</u>	<u>10,418</u>
	<u>(18,996)</u>	<u>(20,047)</u>	<u>(45,851)</u>	<u>(43,811)</u>	<u>389</u>

LETTER FROM SOMERLEY CAPITAL LIMITED

Revenue

As shown in the table above, revenue of the Group has been mainly contributed by the logistics services segment which has contributed around 90% of the total revenue for each of the three years ended 30 June 2025 and around 84.4% of the total revenue for the six months ended 31 December 2025.

The Group's total revenue increased from approximately HK\$400.7 million in FY2023 to approximately HK\$524.8 million in FY2024, or by approximately 31.0%, as a result of significant improvements in the Group's logistics services segment, which showed an increase in segment revenue from approximately HK\$352.1 million in FY2023 to approximately HK\$456.1 million in FY2024. Such increase was mainly due to strong growth in freight volume logistic operation primarily serve the coal washing and steel mill sector in Xinjiang, the PRC, the supply demand in steel market evolve local steelmakers' demand for coal and in turn to VVH's logistic business performance.

Total revenue declined by approximately 25.6% to approximately HK\$390.5 million in FY2025 mainly because of the decline in segment revenue reported for the logistics services business. As disclosed in the 2025 Annual Report, the decline was due to the prolonged downturn in steel market demand which led to a significant decline in coking coal prices. This, in turn, exerted downward pressure on freight rates for coal transportation. While JV successfully secured an increase in freight volume, it was achieved at reduced transportation rates since the decrease in coal prices led to customers bargaining in freight rate by the customers.

Revenue for 1H2026 decreased by approximately 13.8% to approximately HK\$193.1 million mainly due to lower revenue reported for the logistics services segment of the Group.

Loss attributable to owners of the Company

The Group reported a loss attributable to owners of the Company of approximately HK\$56.5 million for FY2024 as compared to loss of approximately HK\$10.0 million in FY2023. The main reason for the widening of loss despite improvements in revenue was because of the increase in direct operating costs for the Company's logistic services business which grew from approximately HK\$297.1 million in FY2023 to approximately HK\$399.3 million in FY2024.

We note the Company reported a loss attributable to owners of the Company of approximately HK\$56.2 million for FY2025, which was comparable to the loss reported for FY2024. Loss attributable to owners of the Company slightly narrowed by around 6.9% from HK\$27.4 million for 1H2025 to approximately HK\$25.5 million for 1H2026.

LETTER FROM SOMERLEY CAPITAL LIMITED

1.3 Financial position of the Group

Set out below is a summary of the condensed consolidated balance sheet of the Group as at 30 June 2025 and 31 December 2025 as extracted from the 2026 Interim Report:

	As at	
	31 December 2025	30 June 2025
	(Unaudited)	(Audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets		
Property, plant and equipment	17,196	12,936
Right-of-use assets	26,152	2,889
Investment properties	187,652	205,610
Exploration and evaluation assets	98,453	97,028
Rental deposit	160	160
	329,613	318,623
Current assets		
Inventories	3,960	461
Trade and bills receivables	140,958	178,408
Prepayments, deposits and other receivables	18,928	13,235
Contract assets	28,876	16,500
Cash and cash equivalents	61,228	59,346
	253,950	267,950
Total assets	583,563	586,573
Current liabilities		
Trade payables	94,356	90,390
Accrued charges and other payables	57,283	55,186
Contract liabilities	866	866
Borrowings	16,069	20,900
Lease liabilities	9,737	1,584
Tax payable	2,960	4,130
	181,271	173,056

LETTER FROM SOMERLEY CAPITAL LIMITED

	As at	
	31 December	30 June
	2025	2025
	(Unaudited)	(Audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current liabilities		
Deferred income tax liabilities	2,197	2,537
Lease liabilities	8,861	955
Loan from a director	<u>172,279</u>	<u>175,873</u>
	<u>183,337</u>	<u>179,365</u>
Total liabilities	<u>364,608</u>	<u>352,421</u>
Capital and reserves attributable to owners of the Company		
Share capital	39,242	39,242
Other reserves	463,650	458,466
Accumulated losses	<u>(384,816)</u>	<u>(355,832)</u>
	118,076	141,876
Non-controlling interests	<u>100,879</u>	<u>92,276</u>
Total Equity	<u><u>218,955</u></u>	<u><u>234,152</u></u>

Total assets of the Group were around approximately HK\$583.6 million as at 31 December 2025, in which total non-current assets amounted to approximately HK\$329.6 million and total current assets amounted to approximately HK\$254.0 million.

Non-current assets of the Group as at 31 December 2025 and 30 June 2025 mainly comprised, among other things, investment properties and exploration and evaluation assets. Balance of total non-current assets increased from approximately HK\$318.6 million as at 30 June 2025 to approximately HK\$329.6 million as at 31 December 2025.

Current assets of the Group as at 31 December 2025 and 30 June 2025 mainly comprise trade and bills receivables, and cash and cash equivalents. Balance for total current assets slightly decreased from approximately HK\$268.0 million as at 30 June 2025 to approximately HK\$254.0 million as at 31 December 2025 mainly resulting from decrease in the carrying value for trade and bills receivables.

LETTER FROM SOMERLEY CAPITAL LIMITED

Total liabilities of the Group were around approximately HK\$364.6 million as at 31 December 2025, in which total current liabilities amounted to approximately HK\$181.3 million and total non-current liabilities amounted to approximately HK\$183.3 million.

Current liabilities of the Group as at 30 June 2025 and 31 December 2025 mainly comprised, among other things, trade payables, accrued charges and other payables and borrowings which are mainly factoring loans due within one year. The balance for current liabilities increased by approximately from HK\$173.1 million as at 30 June 2025 to HK\$181.3 million as at 31 December 2025 mainly due to increases in trade payables and accrued charges and other payables.

Non-current liabilities of the Group, which comprised mainly the loan from a director, increased from approximately HK\$179.4 million as at 30 June 2025 to approximately HK\$183.3 million as at 31 December 2025 and such increase was mainly due to increase in lease liabilities.

The gearing ratio of the Group was around 32.3% as at 31 December 2025, which was measured by the Group's total borrowings to total assets.

Equity attributable to owners of the Company decreased from approximately HK\$141.9 million as at 30 June 2025 to approximately HK\$118.1 million as at 31 December 2025. Based on total number of issued Shares of 3,924,190,467 as at the Latest Practicable Date, the net asset attributable to owners of the Company per Share was approximately HK\$0.03 as at 31 December 2025.

2. Reasons for and use of proceeds from the Subscriptions

2.1 *Reasons for the Subscriptions*

We understand that the issue of the 2026 Convertible Notes is proposed mainly to finance the funding requirements for purchasing the additional electric heavy-duty trucks and procurement and installation of ancillary charging facilities (including but not limited to electric truck chargers) for the Group's core logistics services business and for funding the exploration cost to be contributed by the Group for the future development of Zoolon Project. As stated in the letter from the Board of the Circular, after deduction of the relevant costs and expenses of approximately HK\$1.8 million, the net proceeds are estimated to be approximately HK\$198.2 million and are proposed to be used in the following manner:

- (i) HK\$150 million for development of logistics business by expanding the Group's electric truck fleets by acquiring not less than 150 electric trucks and procurement and installation of ancillary facilities (including but not limited to electric truck chargers) by 2027 ("**Logistic Business Expansion**");

LETTER FROM SOMERLEY CAPITAL LIMITED

- (ii) HK\$20 million for gold and minerals exploration in Mongolia, including but not limited to carrying out superconducting mineral exploration, exploration drilling, sample testing and exploration campsite set up which is expected to be carried out and completed by the end of 2027; and
- (iii) the remaining balances for general working capital of the Group which will be applied for purposes including but not limited to, staff expenses, legal and professional fees, payment of interest expenses, and other general and administrative expenses incurred in the operation of the Group's business.

We noted the disclosures in the 2026 Interim Report that the Company has been carefully evaluating two strategic opportunities: potential investment in electric trucks for the Xinjiang market and the future development of Zoolon Project.

According to the Company, the need to acquire additional heavy duty electric trucks is aiming to align its business development with the PRC government's plan to promote large-scale new energy heavy duty trucks by 2027 which form part of the government's broader plan to build a modern, low carbon energy system for the transport industry. As disclosed in the letter from the Board in the Circular, it is the national goal that by 2035, electric vehicles (including heavy-duty trucks) will dominate new vehicle sales. The Xinjiang region, like all other parts of the country, actively implements the national strategies for sustainable development and environmental protection.

We have researched and noted from a publication made by the Transport Department of Xinjiang Uygur Autonomous Region titled "Implementation Plan for Promoting Large-Scale Equipment Upgrades in the Transportation Sector of Xinjiang Uygur Autonomous Region" dated 23 August 2024 that the Xinjiang Uygur Autonomous Region government has taken the position to promote and implement its policy to replace existing equipment, including commercial vehicles, trucks and boats, particularly vehicles that operates on diesel fuels with updated transportation vehicles that are low in carbon and environmentally friendly.

As disclosed in the 2026 Interim Report, in light of China's national strategy to promote the large-scale adoption of new energy heavy-duty trucks by 2027, the Company is actively exploring new business opportunities in the electric truck sector in Xinjiang and has purchased 40 electric heavy duty trucks in 1H2026. Given that the logistics business segment has been and is currently the Group's core business contributing over 80% of the Group's total revenue, we consider it reasonable and important as well for the Company to react timely in response to latest national policy development in order to align its core business development with the latest industry development and to strengthen and maintain VVLJV's competitiveness in the new energy logistics services market in Xinjiang through the Logistic Business Expansion.

LETTER FROM SOMERLEY CAPITAL LIMITED

Furthermore, we have also reviewed and noted from the Company's announcement dated 29 September 2025 that the 40 electric heavy duty trucks purchased for its Logistics Business Expansion cost an aggregated amount of RMB22.4 million (equal to approximately HK\$24.4 million). We have been provided with the list of the additional electric heavy-duty trucks with ancillary charging facilities to be purchased and have further discussed with the Company that in determining the allocation of net proceeds from the Subscriptions, the Company has also considered the tax relief and the anticipation of price increments on electric vehicles in 2026. In light of the above, we consider the allocation of portion of net proceeds from the Subscriptions of HK\$150 million to satisfy the continued expansion of the Group's logistic business to be reasonable.

As discussed under the section headed "*1. Information on the Group*" above, one of the business operation segments of the Group is minerals exploration. The Company through FVSP LLC ("**FVSP**"), its 51% owned indirect subsidiary, hold a mining licence MV-021621 for 30 years commenced from July 2020 with gold and other mineral resources in Mongolia. FVSP has carried out extensive exploration works, including prospecting reconnaissance, geological mapping, geochemical sampling, geophysical surveys, trench excavation, and drilling at the licence area located in the Altai Soum of Gobi-Altai Province (the "**Zoolon Project**"). Through systematic exploration over the past years, FVSP has discovered epithermal gold and silver deposits within the licence area and identified several high-potential exploration targets. Of these, there are six target areas having high potential for further development, namely Target 3, Target 7, Target 9, Target 10, Target 15 and Target 18. Target 7 is the main target area with gold and other mineral resources potential. According to the Feasibility Report, the Zoolon Project has significant exploration potential, including potential extensions to the Zoolon Deposit. In respect of the aforesaid potential for future addition of resources which are mainly located within a radius of approximately 6 kilometers of the Zoolon Deposit, further exploration is required to demonstrate the continuity of geology and grade in those target areas. These target areas are the major focus of FVSP's exploration from 2026 onwards. According to the Management, the open pit shell of the Zoolon Deposit demonstrates reasonable prospect for eventual economic extraction. In light of the sustained upward trend in the bullion market since 2024, coupled with recent sharp fluctuations in gold prices, the Management is conducting a comprehensive assessment of the future direction of the Zoolon Project, including the possibility of further exploration and/or initiating trial production. Based on the estimation of FVSP's geologist, the exploration budget for these target areas are approximately US\$5.15 million for 2026 and 2027. Based on the Company's 51% indirect interest in FVSP, the corresponding exploration cost to be contributed by the Group will be amounted to approximately US\$2.63 million (equivalent to approximately HK\$20 million).

LETTER FROM SOMERLEY CAPITAL LIMITED

In this regard, we have requested a copy of the feasibility report mentioned in the letter from the Board of the Circular. Based on our review, given the additional target areas identified showing resource prospects and the plans for the Company to explore further on existing target areas to excavate resources according to the feasibility report, as well as the estimation of FVSP's geologist on the exploration budget for these target areas of approximately US\$5.15 million for 2026 and 2027, we consider the allocation of the relevant portion of the net proceeds from the Subscriptions to continue its exploration work to be reasonable.

As disclosed in the 2025 Annual Report and further discussed under the section headed "*1. Information on the Group*" above, the Group has reported consecutive net losses attributable to owners of the Company since at least year ended 30 June 2021. Furthermore, we have reviewed the Company's annual reports and noted that its cash to total assets level has been low since at least 30 June 2021 at between just under 4% to marginally over 10%. Having reference to the net cash used by the Group in operating activities of approximately HK\$45.1 million for FY2024 and HK\$35.0 million for FY2025 respectively, the Group's consolidated cash and cash equivalent balance as at 31 December 2025 of approximately HK\$61.2 million would not be sufficient to fund the aforementioned Logistic Business Expansion and exploration costs.

Based on all the above, we consider that the Group has a genuine funding need for achieving its latest business initiatives and that the Subscriptions can provide it with sufficient new funding for such purposes and therefore, the entering into of the 2026 Subscription Agreements is considered fair and reasonable.

2.2 *Financing alternatives*

Based on our understanding, the Company has also considered the possibility of a rights issue, an open offer exercise or issuance of new shares to specific investors as possible funding source for the required HK\$200 million proceeds. The Company resolved to proceed with the Subscriptions instead because (i) a rights issue or an open offer exercise will require a relatively lengthy process and potentially lead to significantly higher administrative costs; (ii) the possible need of having to offer a reasonable level of discount to Shareholders or investors to incentivise participation rate/subscription interest; (iii) existing Shareholders' interests will be immediately diluted in the case of issuance of new shares and in the case of rights issue/open offer, existing Shareholders' interests is also likely to be diluted unless the participation rate for the pro rata exercise is 100%; and (iv) there is no certainty to whether the Company can raise the funding required.

LETTER FROM SOMERLEY CAPITAL LIMITED

We also understand that the Company has considered procurement of bank borrowings as a possible funding source to raise the required HK\$200 million. However, given the financial performance of the Group, i.e. the consecutive loss attributable to Shareholders and the current global and regional economic environment, and based on the replies received from the financial institutions provided by the Company, financing terms offered by such financial institutions were generally less favourable to the Group which would stretch the existing financial resources of the Group with higher financing costs and/or asset backing. We further understand from the Company that the cost of funding proposed by the financial institutions to raise the required HK\$200 million is higher than the 3% interest rate per annum for the 2026 Convertible Notes. As such, although the Subscriptions would incur interest expenses, given the 3% interest rate per annum for the 2026 Convertible Note is lower than the cost of funding proposed by the financial institutions, we consider the 2026 Convertible Note to be the preferred fund-raising alternatives available to the Company for financing its latest business initiatives and therefore, we consider the entering into of the 2026 Subscription Agreements by the Company to be fair and reasonable and in the interest of the Company and its Shareholders.

3. Principal terms of the 2026 Subscription Agreements

3.1 *Principal terms of the 2026 Convertible Notes*

Principal amount	2026 MG Convertible Note HK\$53.9 million
	2026 CTFN Convertible Note HK\$35.2 million
	2026 DN Convertible Note HK\$52.7 million
	2026 NV Convertible Note HK\$13.0 million
	2026 GL Convertible Note HK\$45.2 million

LETTER FROM SOMERLEY CAPITAL LIMITED

Attention of the Independent Shareholders is drawn to the fact that the principal terms of each of the 2026 MG Subscription Agreement and the 2026 GL Subscription Agreement are essentially the same as those in the 2026 CTFN Subscription Agreement, the 2026 DN Subscription Agreement and the 2026 NV Subscription Agreement entered into by the Company with the other subscribers who are the independent third parties to the Company.

Maturity

Third anniversary of the date of issue of the 2026 Convertible Notes (or such later date as may be consented by the respective holders of the 2026 Convertible Notes).

Interest rate

Interest shall accrue from day to day and shall be calculated on the basis of the actual number of days elapsed in a year of 365 days, at the rate of three (3) per cent. per annum on the principal amount of the 2026 Convertible Notes from time to time outstanding, and, unless previously redeemed, repaid or converted into Shares, payable in arrears on the maturity date of the 2026 Convertible Notes.

**Denomination for
conversion**

With a minimum aggregate amount of HK\$1,000,000 and authorised denomination(s) integral multiples (i.e. HK\$10) thereof, save that if at any time the aggregate outstanding amount of the respective 2026 Convertible Note held by a holder is less than HK\$1,000,000, the whole (but not part only) of the aggregate outstanding amount of such 2026 Convertible Note may be converted.

LETTER FROM SOMERLEY CAPITAL LIMITED

- Conversion rights** A holder of the 2026 Convertible Notes shall have the right to convert on any Business Day from the issue date and up to the Business Day immediately prior to the maturity date of the 2026 Convertible Notes, the whole or any part of the 2026 Convertible Notes (comprising the outstanding principal amount and any accrued but unpaid interest thereon and in the denomination as stated above) into Shares at any time and from time to time at the Conversion Price (subject to adjustment).
- Conversion Price** (i) before the implementation of the Share Consolidation, the initial price of HK\$0.042 per Existing Share, and (ii) immediately after (and subject to) the Share Consolidation becoming effective, the initial price of HK\$0.42 per Consolidated Share, subject to the adjustments.
- Please refer to the letter from the Board to the Circular for details of the Conversion Price adjustments.
- Transferability** Subject to the consent of the other holders of the 2026 Convertible Notes, the 2026 Convertible Notes are freely transferable, in whole or in part (being an authorised denomination) of the outstanding principal amount, to any person, subject to the Listing Rules and all applicable laws and regulations.
- Listing** No application will be made for the listing of the 2026 Convertible Notes on the Stock Exchange or any other stock exchange.
- Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares to be issued upon the exercise of the Conversion Rights.
- Ranking** Obligations of the Company under the 2026 Convertible Notes are unsecured.

LETTER FROM SOMERLEY CAPITAL LIMITED

The Conversion Shares to be issued upon the exercise of the Conversion Rights will be credited as fully paid and will rank *pari passu* in all respects with all other Shares outstanding at the date of exercise of the Conversion Rights and be entitled to all dividends and other distributions the record date of which falls on a date on or after the date of exercise of the Conversion Rights.

Voting

A holder of the 2026 Convertible Notes will not be entitled to receive notices of, attend or vote at any meetings of the Company by reason only of it being a holder of the 2026 Convertible Notes.

Redemption and repurchase

The outstanding principal amount of the 2026 Convertible Notes shall, unless previously redeemed, repaid or converted into Shares or purchased and cancelled in accordance with the conditions in the 2026 Convertible Notes, be redeemed in accordance with the Conditions on the third (3rd) anniversary of the issue date of the 2026 Convertible Notes or such later date as may be consented to by the respective holder of the 2026 Convertible Notes.

The Company may, at any time, after the issue date of the 2026 Convertible Notes, on giving to the holders of the 2026 Convertible Notes not less than ten (10) Business Days' notice in writing (the "**Redemption Notice**"), elect to redeem the whole or any part of the 2026 Convertible Notes (in the authorised denominations) then outstanding.

On the date of redemption as specified in the Redemption Notice, the Company shall effect payment of the principal amount of the relevant 2026 Convertible Note to be redeemed together with all interest (accrued on the principal amount to be redeemed) up to (but excluding) the date of payment of the redemption monies.

LETTER FROM SOMERLEY CAPITAL LIMITED

Status	The obligations of the Company arising under the 2026 Convertible Notes constitute general, unconditional, unsubordinated obligations of the Company and rank, and shall rank equally among themselves and <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law.
Restriction on the exercise of the Conversion Rights	<p>The holders of the 2026 Convertible Notes agree and undertake to the Company that it shall not exercise any of the Conversion Rights to such an extent that results or will result in the respective holder of the 2026 Convertible Notes (or any of the parties acting in concert (within the meaning of the Takeovers Code) with it) being obliged to make a mandatory offer for all the Shares under the Takeovers Code unless (i) the mandatory offer obligations under the Takeovers Code have been complied with; or (ii) prior approval or waiver from the Executive, and (where so required) approval of the whitewash waiver by the Shareholders, have been obtained in accordance with the requirements of the Takeovers Code (and where any conditions to which such approval or waiver is subject are duly complied with).</p> <p>If the issue of the Conversion Shares pursuant to the exercise of the Conversion Right would result in the Company failing to meet its obligation under the Listing Rules to maintain the minimum prescribed percentage of the Shares which must at all times remain in public hands (as defined in the Listing Rules) (the “Public Float Requirement”), then such Conversion Right shall be deemed to have been exercised pursuant to such conversion notice to the extent that the Company shall issue the maximum number of Conversion Shares under such conversion notice without breaching the Public Float Requirement. Any limitation on a Conversion Right with respect to a conversion notice under shall be without prejudice whatsoever to any later exercise of the Conversion Rights pursuant to a subsequent Conversion Notice.</p>

LETTER FROM SOMERLEY CAPITAL LIMITED

The restriction provisions on exercise of the Conversion Rights under the 2026 Convertible Notes are the same.

Events of default

If any of the following events (“**Event(s) of Default**”) occurs, any holder of the 2026 Convertible Notes may give notice in writing that the relevant 2026 Convertible Note is immediately due and payable at its principal amount then outstanding together with any accrued and unpaid interest calculated up to and excluding the date of payment:-

- (a) the listing of the Shares (as a class) on the main board of the Stock Exchange:
 - (i) ceases permanently; or
 - (ii) is suspended for a continuous period of twenty-one (21) Business Days on each of which the Stock Exchange is generally open for trading (due to the default of the Company or any of its directors, officers or employees);
- (b) there is a change of control of the Company;
- (c) the Company fails to pay in accordance with the terms of the relevant 2026 Convertible Note, any sums hereunder when due unless non-payment of such sums is due solely to administrative or technical error and such failure is not remedied for seven (7) Business Days after the holder of the relevant 2026 Convertible Note has given notice thereof to the Company;

LETTER FROM SOMERLEY CAPITAL LIMITED

- (d) an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Company or any of its material subsidiaries (except for a members' voluntary solvent winding up of a material subsidiary), or the Company or any of its material subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the holder of the relevant 2026 Convertible Notes, or (ii) in the case of a material subsidiary, whereby the undertaking and assets of such subsidiary are transferred to or otherwise vested in the Company or another of its subsidiaries; or
- (e) any decree or order is made by any competent court adjudging the Company or any of its material subsidiaries insolvent or bankrupt under the insolvency or bankruptcy laws of any jurisdiction to which it may be subject or any order or application is made for the appointment of any liquidator, receiver, trustee, curator or sequestrator or other similar official of the Company or any of its material subsidiaries in respect of all or substantial part of its or their respective assets and which is not discharged within thirty (30) days (save for the purposes of an amalgamation, merger or reconstruction not involving insolvency);
- (f) the Company or any of its material subsidiaries is unable to pay its debts as they fall due; stops payment to creditors generally or ceases or threatens to cease to carry on its business or any substantial part thereof; proposes or enters into any composition, arrangement with or any assignment for the benefit of its creditors generally;

LETTER FROM SOMERLEY CAPITAL LIMITED

- (g) any consent, licence, approval or authorisation of any governmental agency of any country or state or political subdivision thereof required for or in connection with the execution, delivery, performance, legality, validity, enforceability or admissibility in evidence of the relevant 2026 Convertible Note is revoked or withheld or materially modified in a manner which shall materially and adversely affect the ability of the Company to perform its obligations under the relevant 2026 Convertible Note or otherwise ceases to be in full force and effect; or
- (h) if it is or becomes impossible or unlawful in Hong Kong for the Company to fulfill any of its payment obligations contained in the relevant 2026 Convertible Note; or
- (i) any failure by the Company to deliver any Shares as and when the Shares are required to be delivered following conversion of the relevant 2026 Convertible Note; or
- (j) the Company does not perform or comply with any one or more of its other obligations in the relevant 2026 Convertible Note (other than in respect of those obligations described in (c) or (i) above) which default is incapable of remedy or, if capable of remedy, is not remedied within forty-five (45) days after written notice of such default shall have been given to the Company by the holder of the relevant 2026 Convertible Note; or

LETTER FROM SOMERLEY CAPITAL LIMITED

- (k) (A) any other present or future indebtedness of the Company or any of its material subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual default or event of default or the like (howsoever described), or (B) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (C) the Company or any of its material subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events under (A) to (C) mentioned above have occurred equals or exceeds HK\$50,000,000 or its equivalent (as reasonably determined on the basis of the middle spot rate for the relevant currency against the HK dollar as quoted by any leading bank on the day on which such indebtedness becomes due and payable or is not paid or any such amount becomes due and payable or is not paid under any such guarantee or indemnity); or
- (l) a distress, attachment, execution or other legal process is levied or enforced against any material part of the property, assets or revenues of the Company or any of its material subsidiaries and is not discharged or stayed within sixty (60) days; or
- (m) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Company or any of its material subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and such enforcement is not discharged or stayed within sixty (60) days,

LETTER FROM SOMERLEY CAPITAL LIMITED

provided that notwithstanding the foregoing, if the Company shall fail to issue the Conversion Shares in accordance with the conditions, the holders of the 2026 Convertible Notes shall be entitled to bring an action against the Company for specific performance.

Negative pledge

So long as the 2026 Convertible Notes remain outstanding, the Company will not, and will ensure that none of its subsidiaries will create, or have outstanding, any mortgage, charge, lien, pledge or other security interest upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock, bearer participation certificates, depositary receipts, certificates of deposit or other similar securities or instruments which for the time being are, or are intended to be or are capable of being, quoted, listed, dealt in or traded on any stock exchange or over-the-counter or other securities market (whether or not initially distributed by way of private placement) (“**Relevant Indebtedness**”), or any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the 2026 Convertible Notes the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as shall be approved by the holders of the 2026 Convertible Notes (such approval not to be unreasonably withheld or delayed).

LETTER FROM SOMERLEY CAPITAL LIMITED

Most favoured treatment The Company shall not amend the *pari passu* ranking tenor, interest rate, conversion price, adjustment provisions to the conversion price, the conversion right, the negative pledge and the events of default provision under any of the 2026 Convertible Notes or insert any additional provisions which are, in the opinion of any holder of the 2026 Convertible Notes, on terms and conditions more favourable to it unless at the same time:-

- (a) the Company offers to amend the 2026 Convertible Notes the effect of which is to give the benefit of such more favourable terms and conditions to all holders of the 2026 Convertible Notes; and
- (b) to the extent the holders of the 2026 Convertible Notes accepts such offer, the Company executes such amendment.

3.2 Conditions precedent

Completion of each of the 2026 Subscription Agreements is conditional upon the following being satisfied or fulfilled (or, to the extent waivable, wavier) on or before the Long Stop Date:-

- (a) the Listing Committee granting or agreeing to grant the listing of, and permission to deal in, the Conversion Shares to be issued pursuant to the respective 2026 Convertible Note and such grant remaining in full force and effect;
- (b) all necessary consents, approvals (or waivers), authorisation, permission or exemption from any third parties, including but not limited to government or regulatory authorities, having been obtained by the Company in connection with the Share Consolidation, the respective Subscriptions and the issue of the respective 2026 Convertible Note and the respective Conversion Shares upon exercise of the Conversion Rights thereunder and such consents, approvals (or waivers), authorisation, permission or exemption remaining in full force and effect;
- (c) the compliance by the Company with all legal and other requirements under the Listing Rules and the laws of the Cayman Islands applicable to the transactions contemplated under the respective 2026 Subscription Agreement;

LETTER FROM SOMERLEY CAPITAL LIMITED

- (d) the passing of the requisite respective resolutions by the Board and the Shareholders at a general meeting (other than those persons who are precluded from voting under the Listing Rules) approving, *inter alia*, the Share Consolidation, the respective transactions contemplated under the 2026 Subscription Agreements (including but not limited to the issue of the 2026 Convertible Notes, and the allotment and issue of Conversion Shares upon exercise of the respective Conversion Rights); and
- (e) the other 2026 Subscription Agreements having become unconditional in all respects, except for the condition therein of the particular 2026 Subscription Agreement concerned being unconditional.

All conditions above are non-waivable, except that condition (e) of each of the 2026 Subscription Agreements above is waivable at the discretion of the respective Subscriber. As to condition precedent (b) above, the approvals and consents required only include the approval from the Listing Committee for listing of the Conversion Shares (as stated in condition (a) above). As at the Latest Practicable Date, none of the conditions above had been satisfied or waived.

3.3 Completion

Completion date shall be the third Business Day after fulfilment of all the conditions precedent as stated above, or such other date as the parties to the respective 2026 Subscription Agreement may agree in writing, and in any event no later than the Long Stop Date, on which completion of the respective 2026 Subscription Agreement shall take place.

The completion of the 2026 MG Subscription, the 2026 CTFN Subscription, the 2026 DN Subscription, the 2026 NV Subscription and the 2026 GL Subscription shall take place simultaneously.

4. Proposed Share Consolidation

As stated in the letter from the Board of the Circular, the Board proposes to implement the Share Consolidation pursuant to which every ten (10) Existing Shares having a par value of HK\$0.01 each in the share capital of the Company will be consolidated into one (1) Consolidated Share having a par value of HK\$0.1 each. As at the Latest Practicable Date, the authorised share capital of the Company is HK\$200,000,000 divided into 20,000,000,000 Existing Shares having a par value of HK\$0.01 each, and 3,924,190,467 Existing Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming that no further Shares will be issued or repurchased and cancelled from the Latest Practicable Date until the effective date of Share Consolidation, 392,419,046.7 Consolidated Shares (i.e. 392,419,046 whole Consolidated Shares) will be in issue. Details of the Proposed Share Consolidation are set out in the letter from the Board of the Circular.

LETTER FROM SOMERLEY CAPITAL LIMITED

5. Evaluation of the principal terms of the 2026 Subscription Agreements

5.1 Review of historical Shares closing prices

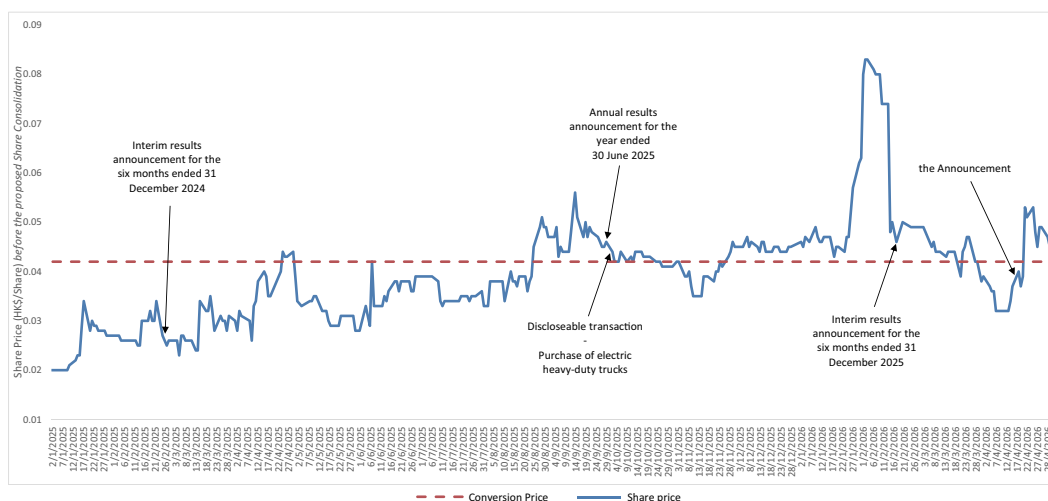
The initial Conversion Price, HK\$0.042 per Conversion Share prior to the Share Consolidation becoming effective, or HK\$0.42 per Conversion Share upon the Share Consolidation becoming effective, represents:

- (i) a premium of 13.5% over the closing price of HK\$0.037 per Share (based on the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day);
- (ii) a premium of approximately 22.8% over the average closing price of HK\$0.0342 per Share (based on the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day); and
- (iii) a premium of approximately 16.3% over the average closing price of HK\$0.0361 per Share (based on the closing prices of the Shares as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day).

The Conversion Price was arrived at after arm's length negotiation between the Company and the Subscribers after taking into account of (i) the prevailing market price of the Shares; (ii) the financial performance of Group which has been loss making since the FY2024 and the Group recorded loss attributable to owners of approximately HK\$19.0 million for 1H2026; and (iii) the current market condition that, in particular as mentioned in the "Business Review" section in the 2026 Interim Report, the current coal freight rates have yet to show indication of rebound in respect of the Group's logistics operations in Xinjiang. Given the financial performance of the Group was loss making, the parties did not set the Conversion Price with reference to the financial performance of the Group. Instead, the Conversion Price is set based on the prevailing market price of the Shares and the premium of the initial Conversion Price over the recent closing prices of the Shares represented the support given by the Subscribers to the Company.

In order to assess the fairness and reasonableness of the initial Conversion Price, we have analysed the recent Share price performance. Set out in the chart below are the historical closing price of the Shares from 1 January 2025 up to and including the Latest Practicable Date (the "**Review Period**"). We consider the Review Period to be sufficient in reflecting the recent trading pattern of the Shares.

LETTER FROM SOMERLEY CAPITAL LIMITED



Based on the chart above, the closing prices of the Shares was volatile during the Review Period, demonstrated a gradual upward trend with fluctuation in the range between HK\$0.020 per Share and HK\$0.083 per Share with an average of approximately HK\$0.039 per Share.

Share closing price was HK\$0.020 per Share on 2 January 2025 and gradually increased to just over HK\$0.030 on 21 February 2025. The Company published its interim results announcement for the six months ended 31 December 2024 after trading hours on 26 February 2025, and the Share price closed at HK\$0.026 on 27 February 2025, representing an increase of approximately 4% from the previous day.

Share closing prices then fluctuated in the range between mid HK\$0.020 and around HK\$0.040 per Share during the period between end of February 2025 and end of August 2025. The Company published its annual results for FY2025 after trading hours on 26 September 2025 and its Share closing price fell by approximately 4.3% to approximately HK\$0.044 from the previous close of HK\$0.046 per Share. On 29 September 2025, the Company published a discloseable transaction announcement in relation to the purchase of electric heavy-duty trucks. Its Share closing price fell further from the previous day's HK\$0.044, or by roughly 4.5%, to HK\$0.042 per Share on 30 September 2025.

Share prices then traded within the range of approximately HK\$0.035 per Share and around HK\$0.050 per Share during the period between October 2025 and mid-January 2026. We noted a sharp increase in closing price per Share from HK\$0.047 on 21 January 2026 to HK\$0.087 on 30 January 2026 which then fell quickly back to HK\$0.048 on 10 February 2026. We have enquired the Company and based on our understanding from the Management, they are not aware of any reasons for the fluctuations in Share price during the period.

LETTER FROM SOMERLEY CAPITAL LIMITED

On 13 February 2026, after trading hours, the Company published its interim results announcement for 1H2026. Closing price per Share increased from HK\$0.046 on 13 February 2026 to approximately HK\$0.050 on 16 February 2026, representing an increase of approximately 8.7%. Since then, Share prices were shown with a downward trend to the low of approximately HK\$0.032 per Share on 2 April 2026 and 8 April 2026 respectively following by a sharp rebound to approximately HK\$0.04 per Share on 13 April 2026. The Company later published the Announcement after trading hours on the same day on 13 April 2026 and its Share closing price fell by approximately 7.5% to approximately HK\$0.037 from the previous close of HK\$0.04 per Share.

As shown above, since 14 April 2026, closing price of the Shares fluctuated within the range between HK\$0.037 and HK\$0.053 each and closed at HK\$0.045 each on the Latest Practicable Date.

Given (i) that the initial Conversion Price represents a premium over the average closing price per Share for the Review Period and also premium over the prevailing market prices of the Shares as discussed in detail under the section headed “3. *Principal terms of the 2026 Subscription Agreements*” above; and (ii) the reasons outlined under the section headed “2. *Reasons for and use of proceeds from the Subscriptions*”, coupled with the current financial performance and position of the Group as a whole as discussed under the section headed “1. Information on the Group” as well as the lack of better financing alternatives available to the Group as discussed under the section headed “2.2 *Financing alternatives*”, we consider the initial Conversion Price to be fair and reasonable as the prevailing Share trading performance is concerned.

5.2 Comparable issuances

In assessing the terms of the 2026 Convertible Notes, we have also reviewed a number of recent comparable transactions which involved the issue of convertible bonds/notes under specific mandate (the “**Comparable Transactions**”). The Comparable Transactions are selected based on the following criteria: (i) the issuers are listed on the Main Board of the Stock Exchange (excluding company(ies) under prolonged suspension) and such transactions are publicly announced pursuant to the Listing Rules since 1 September 2025 and up to the Latest Practicable Date; (ii) the transactions has not been terminated or lapsed as at the Latest Practicable Date; and (iii) the convertible bonds/notes were not issued as a form of consideration issue. The Comparable Transactions were considered an exhaustive list of transactions based on the aforesaid criteria.

LETTER FROM SOMERLEY CAPITAL LIMITED

We note that although the business activities, financial positions, business performances, size of the offering, intended use of proceeds, the relationship between the respective subscriber(s) and the issuer (i.e. regardless of whether the respective subscribers are connected persons of the issuer or independent third parties to the issuer) and future prospects of the issuers engaging in the Comparable Transactions vary from company to company, we consider that the terms of the Comparable Transactions (regardless of, among other things as mentioned above, including whether the issue was made to connected persons of the issuer or independent third parties), were determined under similar market conditions and sentiments as the 2026 Convertible Notes and the Comparable Transactions serve as a reasonable proxy of the recent trend in convertible bonds/notes issues in the Hong Kong market. Similarly, we consider the use of a review period of around 8 months which generated 12 Comparable Transactions to be fair and reasonable as it represents a reasonable number for our comparison purpose, is representative of recent market conditions and sentiments which is considered relevant to our comparison purposes.

LETTER FROM SOMERLEY CAPITAL LIMITED

The Comparable Transactions are set out in the table below:

Date of announcement	Stock code	Name of company	Connected transaction (Yes/No)	Duration (years)	Interest rate per annum	Premium/(discount) of conversion price over/ (to) the closing price on the last trading day prior to the date of the announcement	Premium/(discount) of conversion price over/ (to) the average closing price for the last five consecutive trading days immediately prior to the date of the announcement (including the last trading day)	Redemption at Maturity
25/3/2026	938	Man Sang International Limited	Yes	3.75	2.00%	14.29%	-2.44%	100%
11/3/2026	724	Ruixin International Holdings Limited	No	2.0	2.00%	33.33%	33.33%	100%
16/2/2026	1129	China Water Industry Group Limited	No	2.0	10.00%	-31.56%	0.00%	100%
29/1/2026	1157	Zoomlion Heavy Industry Science and Technology Co., Ltd.*	No	5.0	0.70%	18.58%	20.00%	105.73%
3/12/2025	9929	SEM Holdings Limited	Yes	2.0	0.0%	6.36%	5.64%	100%
17/11/2025	2339	BeijingWest Industries International Limited	Yes	1.0	0.0%	-34.21%	-20.00%	100%
17/11/2025	1009	International Entertainment Corporation	No	5.0	3.0%	-16.67%	-17.36%	108%
16/11/2025	2012	Sunshine Oilsands Ltd.	Yes	2.0	8.0%	12.54%	0.00%	Not mentioned
17/10/2025	620	DTXS Silk Road Investment Holdings Company Limited	No	3.0	3.85%	5.56%	6.03%	100%
13/10/2025	1050	Karrie International Holdings Limited	Yes	3.0	2.0%	-7.26%	-15.57%	100%
3/10/2025	130	Moiselle International Holdings Limited	Yes	3.0	2.5%	20.00%	97.11%	100%
3/9/2025	3963	China Rongzhong Financial Holdings Company Limited	Yes	3.0	2.75%	0.00%	-0.17%	100%

LETTER FROM SOMERLEY CAPITAL LIMITED

Date of announcement	Stock code	Name of company	Connected transaction (Yes/No)	Duration (years)	Interest rate per annum	Premium/(discount) of conversion price over/ (to) the closing price on the last trading day prior to the date of the announcement	Premium/(discount) of conversion price over/ (to) the average closing price for the last five consecutive trading days immediately prior to the date of the announcement (including the last trading day)	Redemption at Maturity
			Average	2.9	3.07%	1.75%	8.88%	101.25%
			Median	3.0	2.25%	5.96%	0.00%	100.00%
			Maximum	5.0	10.00%	33.33%	97.11%	108.00%
			Minimum	1.0	0.00%	-34.21%	-20.00%	100.00%
				3.0	3.00%	13.51%	22.81%	100.00%

The Company –
The 2026 Convertible Notes

* For identification purposes only

Sources: Website of the Stock Exchange

LETTER FROM SOMERLEY CAPITAL LIMITED

As set out in the table above, the interest rate of the 2026 Convertible Notes of 3.00% per annum is lower than the average of 3.07% of the interest rates of the Comparable Transactions, and is much lower than the maximum interest rate of 10.00% of the Comparable Transactions, which is considered in line with the market.

As also shown in the table above, the premiums of the initial Conversion Price over the closing price of the Shares on the Last Trading Day and last five trading days immediately prior to the Last Trading Day are around 13.51% and 22.81% respectively, which are within the respective range of premiums/discounts, and are much higher than the corresponding average of 1.75% premium and 8.88% premium, under the Comparable Transactions respectively.

At maturity, the 2026 Convertible Notes will be redeemed at 100% of the outstanding principal amounts. We consider this as in line with results from the Comparable Transactions analysis above where upon maturity, the relevant convertible bonds/notes under the Comparable Transactions would be redeemed at between 100% to 108% of the outstanding principal value.

Attention of the Independent Shareholders is drawn to the fact that the principal terms of each of the 2026 MG Subscription Agreement and the 2026 GL Subscription Agreement are essentially the same as those in the 2026 CTFN Subscription Agreement, the 2026 DN Subscription Agreement and the 2026 NV Subscription Agreement entered into by the Company with the independent third parties, and each of the 2026 Subscription Agreements shall become unconditional upon all the other 2026 Subscription Agreements being unconditional. On such basis and having taken into account, in particular, our analyses in section headed “3. Principal terms of the 2026 Subscription Agreements”, our analysis in the section headed “2. Reasons for and use of proceeds from the Subscriptions”, and as shown by the Comparable Transactions analysis in this section, we are of the view that the terms of the Subscriptions are on normal commercial terms and fair and reasonable, in line with market practice and the transactions contemplated under the 2026 Subscription Agreements are in the interests of the Company and the Shareholders as a whole.

6. Effect on the Shareholding structure of the Company upon conversion

As at the Latest Practicable Date, the Share Options granted by the Company under its Share Option Scheme entitled the holders thereof to subscribe for an aggregate of 156,000,000 Shares (the “**Outstanding Share Options**”). Save as disclosed above, as at the Latest Practicable Date, there are no other outstanding options, warrants, derivatives, or other securities which carry rights to subscribe for or be converted into Shares.

LETTER FROM SOMERLEY CAPITAL LIMITED

The table below illustrates the shareholding structures of the Company as at the Latest Practicable Date under the following scenarios (assuming there is no other change in the issued share capital and shareholding structure of the Company from the Latest Practicable Date up to the occurrence of the relevant events mentioned below):

Scenario I:	immediately upon full conversion of the principal amount of the 2026 MG Convertible Note of HK\$53.9 million at the initial Conversion Price only;
Scenario II:	immediately upon full conversion of the principal amount of the 2026 CTFN Convertible Note of HK\$35.2 million at the initial Conversion Price only;
Scenario III:	immediately upon full conversion of the principal amount of the 2026 DN Convertible Note of HK\$52.7 million at the initial Conversion Price only;
Scenario IV:	immediately upon full conversion of the principal amount of the 2026 NV Convertible Note of HK\$13.0 million at the initial Conversion Price only;
Scenario V:	immediately upon full conversion of the principal amount of the 2026 GL Convertible Note of HK\$45.2 million at the initial Conversion Price only;
Scenario VI:	for illustration purpose only, occurrence of scenarios I to V above only;
Scenario VII:	for illustration purpose only, occurrence of scenarios I to V above and exercise of all outstanding share options of the Company;
Scenario VIII:	for illustration purpose only, occurrence of scenarios I, to VII above only and after the effective of the Share Consolidation;
Scenario IX:	for illustration purpose only, occurrence of scenarios I to V above only and assuming no accrued interest have been paid out and converted to Conversion Shares.

LETTER FROM SOMERLEY CAPITAL LIMITED

	As at the Latest Practicable Date		Scenario I (Note 3)		Scenario II		Scenario III		Scenario IV		Scenario V	
	Shares	%	Shares	%	Shares	%	Shares	%	Shares	%	Shares	%
Mr. Lo together with Moral Glory and its associates (Note 1)	1,247,809,889	31.80%	2,530,501,934	48.60%	1,247,809,889	26.20%	1,247,809,889	24.09%	1,247,809,889	29.47%	1,247,809,889	24.95%
Mr. N. Ho (Note 3)	17,821,973	0.45%	17,821,973	0.34%	17,821,973	0.37%	17,821,973	0.34%	17,821,973	0.42%	17,821,973	0.36%
Other directors of the Group (Note 2)	26,395,901	0.67%	26,395,901	0.51%	26,395,901	0.55%	26,395,901	0.51%	26,395,901	0.62%	26,395,901	0.53%
CTFN	-	-	-	-	838,503,140	17.61%	-	-	-	-	-	-
Dragon Noble	-	-	-	-	-	-	1,254,680,720	24.23%	-	-	-	-
Glory Light	-	-	-	-	-	-	-	-	-	-	1,076,028,856	21.52%
Public Shareholders												
Next Victory	-	-	-	-	-	-	-	-	310,000,000	7.32%	-	-
Other public Shareholders	<u>2,632,162,704</u>	67.08%	<u>2,632,162,704</u>	50.55%	<u>2,632,162,704</u>	55.27%	<u>2,632,162,704</u>	50.83%	<u>2,632,162,704</u>	62.17%	<u>2,632,162,704</u>	52.64%
Total	<u><u>3,924,190,467</u></u>		<u><u>5,206,882,512</u></u>		<u><u>4,762,693,607</u></u>		<u><u>5,178,871,187</u></u>		<u><u>4,234,190,467</u></u>		<u><u>5,000,219,323</u></u>	
			Scenario VI		Scenario VII		Scenario VIII		Scenario IX			
			Shares	%	Shares	%	Shares	%	Shares	%		
Mr. Lo together with Moral Glory and its associates (Note 1)			2,530,501,934	29.13%	2,559,501,934	28.95%	255,950,193	28.95%	2,645,944,218	29.03%		
Mr. N. Ho (Note 3)			17,821,973	0.21%	27,821,973	0.31%	2,782,197	0.31%	17,821,973	0.20%		
Other directors of the Group (Note 2)			26,395,901	0.30%	104,395,901	1.18%	10,439,590	1.18%	26,395,901	0.29%		
CTFN			838,503,140	9.65%	838,503,140	9.48%	83,850,314	9.48%	913,968,422	10.02%		
Dragon Noble			1,254,680,720	14.45%	1,254,680,720	14.19%	125,468,072	14.19%	1,367,601,984	15.00%		
Glory Light			1,076,028,856	12.39%	1,076,028,856	12.17%	107,602,885	12.17%	1,172,871,453	12.87%		
Public Shareholders												
Next Victory			310,000,000	3.57%	310,000,000	3.51%	31,000,000	3.51%	337,900,000	3.71%		
Other public Shareholders			<u>2,632,162,704</u>	30.30%	<u>2,671,162,704</u>	30.21%	<u>267,116,270</u>	30.21%	<u>2,632,162,704</u>	28.88%		
Total			<u><u>8,686,095,228</u></u>		<u><u>8,842,095,228</u></u>		<u><u>884,209,521</u></u>		<u><u>9,114,666,655</u></u>			

LETTER FROM SOMERLEY CAPITAL LIMITED

Notes:

1. Among the 1,247,809,889 issued Shares (having a par value of HK\$0.01 each) held as at the Latest Practicable Date, 1,755,000 Shares represented interest of Mr. Lo on an individual basis; while 1,246,054,889 Shares represented interest of Moral Glory. Mr. Lo was also interested in 29,000,000 underlying shares (having the same par value) pursuant to share options scheme of the Company.
2. The other directors of the Group include Ms. Yvette Ong, Mr. Lo Rex Cze Kei, Mr. Lo Chris Cze Wai, Mr. Tsui Hing Chuen, William ^{JP}, Mr. Lau Wai Piu and Mr. Lee Kee Wai, Frank and directors of subsidiaries of the Company.
3. As at the Latest Practicable Date, Mr. N. Ho was interested in 17,821,973 issued Shares (having a par value of HK\$0.01 each) and 10,000,000 underlying shares (having the same par value) pursuant to share options scheme of the Company.

Pursuant to the terms of the 2026 Convertible Notes, each of the holders of the 2026 Convertible Notes agree and undertake to the Company that it shall not exercise any of the Conversion Rights to such an extent that results or will result in the respective holder of the 2026 Convertible Notes (or any of the parties acting in concert (within the meaning of the Takeovers Code) with it) being obliged to make a mandatory offer for all the Shares under the Takeovers Code unless (i) the mandatory offer obligations under the Takeovers Code have been complied with; or (ii) prior approval or waiver from the Executive, and (where so required) approval of the whitewash waiver by the Shareholders, have been obtained in accordance with the requirements of the Takeovers Code (and where any conditions to which such approval or waiver is subject are duly complied with). Accordingly, scenarios above are shown for illustrative purpose only.

4. Certain percentage figures included in the tables above have been subject to rounding adjustment.

As shown in the table above and assuming the completion of the 2026 Subscription Agreements, the shareholding in the Company held by the Independent Shareholders will be diluted from approximately 67.08% as at the Latest Practicable Date to between approximately 28.88% and 62.17%, depending on conversion of the 2026 Convertible Notes under different exercise scenarios.

Although the shareholding interest of the existing Independent Shareholders will be diluted, considering (i) the reasons for and benefits of the 2026 Subscription Agreements as discussed under the section under “2. Reasons for and use of proceeds from the Subscriptions” above; and (ii) terms of the 2026 Subscription Agreements, including the Conversion Price, being fair and reasonable as discussed under sections headed “5. Evaluation of the principal terms of the 2026 Subscription Agreements” above, we are of the view that the dilution effect of on the shareholding of the Independent Shareholders is acceptable.

LETTER FROM SOMERLEY CAPITAL LIMITED

However, Independent Shareholders should note that the conversion of the 2026 Convertible Notes is subject to the conversion restrictions under the 2026 Convertible Notes. In particular, pursuant to the terms of each of the 2026 Convertible Notes, if the issue of the Conversion Shares pursuant to the exercise of the Conversion Right would result in the Company failing to meet the Public Float Requirement, then such Conversion Right shall be deemed to have been exercised pursuant to such conversion notice such that the Company shall issue the maximum number of Conversion Shares (“**Maximum Conversion Shares**”) under such conversion notice without breaching the Public Float Requirement. In other words, the Company will not issue such amount of Conversion Shares which would lead to a breach the Public Float Requirement. As the result of the conversion up to the Maximum Conversion Shares, the principal amount shall, after the deduction of the relevant portion representing the conversion of the Maximum Conversion Shares, remain outstanding under the Convertible Notes.

7. Financial effects of the Subscriptions

(a) Net asset value

As advised by the Management and based on the accounting policies of the Group, the 2026 Convertible Notes to be issued by the Company will contain both debt and conversion option components, both being accounted for as liabilities, and will be classified separately on initial recognition. As the duration of the 2026 Convertible Notes is 3 years, the 2026 Convertible Notes will be initially classified as non-current liabilities. It is anticipated that there would not be material adverse change in net asset value as total asset of the Group is expected to increase by the net amount received for the Subscriptions while liabilities of the Group would also increase to account for both the debt and conversion option components of the 2026 Convertible Notes.

(b) Earnings

As advised by the Management and based on the accounting policies of the Group, the debt component of the 2026 Convertible Notes will be carried at amortised cost using the effective interest method in subsequent periods. The effective interest expenses of the 2026 Convertible Notes will be charged to the consolidated statement of profit or loss of the Group subsequent to the issue of the 2026 Convertible Notes. The finance costs which are calculated based on effective interest of the 2026 Convertible Notes will continuously be incurred by the Group until conversion and/or redemption of the 2026 Convertible Notes in full. In addition, the conversion option (i.e. derivative) component of the 2026 Convertible Notes will be measured at fair value with changes in fair value recognised in the consolidated statement of profit and loss of the Group.

LETTER FROM SOMERLEY CAPITAL LIMITED

Although the finance costs and the changes in fair value of the conversion option component of the 2026 Convertible Notes may create negative impact on the future earnings of the Group, the issue of the 2026 Convertible Notes is considered the preferred fund-raising alternatives currently available to the Company for facilitating its business operations development and expansionary plans as discussed in section headed “2. *Reasons for and use of proceeds from the Subscriptions*” above in this letter.

(c) Working capital

As at 31 December 2025, the Group had cash and cash equivalents balance of approximately HK\$61.2 million. Upon completion of the Subscriptions and after deduction of the relevant costs and expenses of approximately HK\$1.8 million, the net proceeds from the Subscriptions are estimated to be approximately HK\$198.2 million. It is expected that upon completion of the Subscriptions, the working capital of the Group is expected to improve.

OPINION AND RECOMMENDATION

In summary, in reaching our opinion and recommendation, we have considered all the above principal factors and reasons, in particular,

- (i) the reasons for the Subscription Agreement as outlined in the sub-section headed “2.1 *Reasons for the Subscriptions*”, including but not limited to, that the proposed Subscriptions can provide sufficient new funding for the Group’s business operations development and for achieving its latest business initiatives;
- (ii) as discussed in sub-section headed “2.2 *Financing alternatives*” above, the 2026 Subscription Agreements are considered the most appropriate and preferred means for the Group to raise funds among other fund-raising alternatives available to the Company;
- (iii) principal terms of the Subscriptions, including but not limited to, the Conversion Price, are fair and reasonable and are in line with the market as discussed in the section headed “5. *Evaluation of the principal terms of the 2026 Subscription Agreements*”; and
- (iv) as discussed in section headed “7. *Financial effects of the Subscriptions*” above, the Subscriptions are expected to substantially improve the cashflow position of the Group upon completion of the Subscriptions.

LETTER FROM SOMERLEY CAPITAL LIMITED

Having taken into account the principal factors and reasons set out in our letter, we are of the view that the entering into of the 2026 Subscription Agreements, though is not in the ordinary and usual course of business of the Company, is in the interest of the Company and its Shareholders as a whole and that the terms of the 2026 Subscription Agreements, including the Conversion Price, are on normal commercial terms and fair and reasonable so far as the Company and the Shareholders as a whole are concerned. We therefore advise the Independent Board Committee to recommend, and ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolution approving the 2026 Subscription Agreements at the EGM.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED

Lyan Tam
Director

Ms. Lyan Tam is a licensed person registered with the Securities and Futures Commission and as a responsible officer of Somerley Capital Limited to carry out Type 6 (advising on corporate finance) regulated activities under the SFO and has over 20 years of experience in corporate finance industry.

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 Group. 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 aspects 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. SHARE CAPITAL

Assuming there is no other change in the authorised and issued share capital of the Company since the Latest Practicable Date, the authorised and issued share capital of the Company (i) as at the Latest Practicable Date; (ii) Immediately upon the Share Consolidation becoming effective and (iii) immediately upon full conversion of the 2026 Convertible Notes (based on the maximum respective principal amounts thereof to be issued and the interest to be accrued thereon) at the Conversion Price (assuming Share Consolidation becoming effective) are as follows:

(i) As at the Latest Practicable Date

Authorised capital:

		<i>HK\$</i>
<u>20,000,000,000</u>	Shares of HK\$0.01 each	<u>200,000,000</u>

Issued and fully paid or credited as fully paid:

	Shares of HK\$0.01 each as at	
<u>3,924,190,467</u>	the Latest Practicable Date	<u>39,241,904.6</u>

(ii) Immediately upon the Share Consolidation becoming effective

Authorised share capital:

	<i>HK\$</i>	
<u>2,000,000,000</u>	Shares of HK\$0.1 each	<u>200,000,000</u>

Issued and paid-up share capital:

<u>392,419,046</u>	whole Shares of HK\$0.1 each	<u>39,241,904.6</u>
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(iii) Immediately upon full conversion of the 2026 Convertible Notes (based on the maximum respective principal amounts thereof to be issued and the interest to be accrued thereon) at the Conversion Price upon the Share Consolidation becoming effective

Authorised capital:

	<i>HK\$</i>	
<u>2,000,000,000</u>	Shares of HK\$0.1 each	<u>200,000,000</u>

Issued and fully paid or credited as fully paid:

<u>392,419,046</u>	whole Shares of HK\$0.1 each	<u>39,241,904.6</u>
519,046,718	2026 Conversion Shares to be allotted and issued upon full conversion of the 2026 Convertible Note	51,904,671.8
<u>911,465,764</u>	Shares of HK\$0.1 each	<u>91,146,576.4</u>

3,924,190,467 Shares have been in issue as at the Latest Practicable Date. All the Shares currently in issue rank *pari passu* in all respects with each other, including in particular, as to dividends, voting rights and return of capital.

The 2026 Conversion Shares to be issued upon exercise of the Conversion Rights will rank *pari passu* in all respects among themselves and with all Shares in issue as at the date of allotment and issue of the 2026 Conversion Shares, including in particular, as to voting rights, return on capital and the right to any dividends or distributions made or declared on or after the date of allotment and issue of the 2026 Conversion Shares. The Conversion Shares will be listed and traded on the Stock Exchange.

3. DISCLOSURE OF INTERESTS

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

Long positions in the Shares and underlying Shares

Name of Directors	Number of Shares					Total interests	Percentage of shareholding
	Personal interests	Spouse interests	Corporate interests	Number of underlying Shares pursuant to share options	Number of underlying Shares corporate interests		
Mr. Lo	1,755,000	-	1,246,054,889 (Note)	29,000,000	1,398,134,329	2,674,944,218	68.17%
Mr. Ho Hau Chong, Norman	17,821,973	-	-	10,000,000	-	27,821,973	0.71%
Ms. Yvette Ong	-	-	-	10,000,000	-	10,000,000	0.25%
Mr. Lo, Rex Cze Kei	-	-	-	10,000,000	-	10,000,000	0.25%
Mr. Lo, Chris Cze Wai	-	-	-	10,000,000	-	10,000,000	0.25%
Mr. Tsui Hing Chuen, William JP	1,365,131	-	-	5,000,000	-	6,365,131	0.16%
Mr. Lau Wai Piu	-	-	-	5,000,000	-	5,000,000	0.13%
Mr. Lee Kee Wai, Frank	6,404,605	-	-	5,000,000	-	11,404,605	0.29%

Note: Moral Glory International Limited (“Moral Glory”), a company wholly-owned by Mr. Lo.

Associated corporation of the company

The following Director had interests in the shares of the associated corporation of the Company:

Name of Director	Name of associated corporation	Capacity	Number and class of securities interested	Percentage of shareholding in the associated corporation
Mr. Lo	Mission Wealth Holdings Limited <i>(Note)</i>	Beneficial owner	490 ordinary shares of US\$1.00 each	49%

Note: Mission Wealth Holdings Limited is a company incorporated in the British Virgin Islands which is a 51% owned subsidiary of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, chief executives and their respective associates had any interests in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register maintained by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Discloseable interests and short positions of substantial shareholders/other persons under the SFO

The register of interests in shares and short positions maintained under section 336 of the SFO showed that as at the Latest Practicable Date, the Company had been notified of the following interests in Shares representing 5% or more of the Company's issued share capital:

Long position and short position of substantial shareholders/other persons in the Shares and/or underlying Shares

Name of substantial shareholders	Capacity	Number of Shares	Percentage of nominal value of issued share capital
Ms. Ku Ming Mei, Rouisa <i>(Note 1)</i>	Interest of spouse	2,674,944,218	68.17%
Moral Glory <i>(Note 2)</i>	Beneficial owner	2,644,189,218	67.38%
Dragon Noble Group Limited <i>(Note 3)</i>	Beneficial owner	1,367,601,984	34.85%
Dr. Cheng Kar Shun, Henry <i>(Note 3)</i>	Interest of controlled corporation	1,367,601,984	34.85%
Ms. Ip Mei Hing, Katherine <i>(Note 4)</i>	Interest of spouse	1,367,601,984	34.85%
Glory Light Limited <i>(Note 5)</i>	Beneficial owner	1,172,871,453	29.89%

Name of substantial shareholders	Capacity	Number of Shares	Percentage of nominal value of issued share capital
Mr. Ho Christopher King Tung (<i>Note 5</i>)	Interest of controlled corporation	1,172,871,453	29.89%
Ms. Chin Pui Yu (<i>Note 6</i>)	Interest of spouse	1,172,871,453	29.89%
Chow Tai Fook Nominee Limited (<i>Note 7</i>)	Beneficial owner	913,968,422	23.29%
Chow Tai Fook (Holding) Limited (<i>Note 7</i>)	Interest of controlled corporation	913,968,422	23.29%
Chow Tai Fook Capital Limited (<i>Note 7</i>)	Interest of controlled corporation	913,968,422	23.29%
Cheng Yu Tung Family (Holdings) Limited (<i>Note 7</i>)	Interest of controlled corporation	913,968,422	23.29%
Cheng Yu Tung Family (Holdings II) Limited (<i>Note 7</i>)	Interest of controlled corporation	913,968,422	23.29%
Next Victory Group Limited (<i>Note 8</i>)	Beneficial owner	337,900,000	8.61%
Ms. Wong Wing Yue Rosaline (<i>Note 8</i>)	Interest of controlled corporation	337,900,000	8.61%

Notes:

- Ms. Ku Ming Mei, Rouisa is the spouse of Mr. Lo and accordingly, she was deemed to be interested in 2,674,944,218 shares under the SFO.
- Mr. Lo is the sole director and shareholder of Moral Glory. None of the directors of the Company are directors or employees of Moral Glory.
- Dragon Noble Group Limited (i.e. Dragon Noble), a company wholly-owned by Dr. Cheng Kar Shun, Henry, is the Subscriber of the 2026 DN Convertible Note.
- Ms. Ip Mei Hing, Katherine is the spouse of Dr. Cheng Kar Shun, Henry and accordingly, she was deemed to be interested in 1,367,601,984 shares under the SFO.
- Glory Light Limited (i.e. Glory Light), a company wholly-owned by Mr. Ho Christopher King Tung, is the Subscriber of the 2026 GL Convertible Note.
- Ms. Chin Pui Yu is the spouse of Mr. Ho Christopher King Tung and accordingly, she was deemed to be interested in 1,172,871,453 shares under the SFO.
- Chow Tai Fook Nominee Limited (i.e. CTFN) is the Subscriber of the 2026 CTFN Convertible Note. CTFN is a direct subsidiary of Chow Tai Fook (Holding) Limited. Chow Tai Fook (Holding) Limited is an approximately 90.52%-owned subsidiary of Chow Tai Fook Capital Limited. Chow Tai Fook Capital Limited is owned as to approximately 48.98% by Cheng Yu Tung Family (Holdings) Limited and approximately 46.65% by Cheng Yu Tung Family (Holdings II) Limited.
- Next Victory Group Limited (i.e. Next Victory), a company wholly-owned by Ms. Wong Wing Yue Rosaline, is the Subscriber of the 2026 NV Convertible Note.

4. DISCLOSURE OF OTHER INTERESTS

(a) Directors' service contracts

As at the Latest Practicable Date, Mr. Lo had entered into a director service contract with the Company for a fixed term of three years, particulars of which are as follows:

Name	Term	Commencement date	Expiry date	Monthly remuneration	Early termination compensation
Mr. Lo	3 years	1 April 2025	31 March 2028	HK\$500,000	Either party may early terminate the service contract by a compensation equivalent to twelve months' remuneration

Save as disclosed above, none of the Directors had entered into any service agreement with any member of the Group nor were there any other service agreements proposed which would not expire or be determinable by the member of the Group within one year without payment of compensation (other than statutory compensation).

(b) Interests in competing business

As at the Latest Practicable Date, to the best knowledge of the Directors, none of the Directors and their respective associates were considered to have any interests in the businesses which compete or were likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or the Group.

(c) Directors' interests in contracts and assets

As at the date of this circular, save and except (a) the 2026 Subscription Agreements. (b) Mr. Lo provided unsecured long-term loans to the Company and utilised by the Group as working capital. Standby revolving facility with principal amount of HK\$180 million has been provided by Mr. Lo with maturity date on 30 June 2027. The interest was charged at prime rate quoted by the Hongkong and Shanghai Banking Corporation Limited. (c) An indirect non-wholly owned subsidiary of the Company has entered services agreement with a company which is beneficially owned by Mr. Lo for the provision of private jet management service. (d) An indirect non-wholly owned subsidiary of the Company has entered into a logistic services framework agreement with 新疆蒙科能源科技有限公司(“新疆蒙科”) (an indirect wholly owned subsidiary of Mongolia Energy Corporation Limited (“MEC”)) of which except for Mr. Noman Ho, the board of the directors of the Company and MEC are the same, for the provision of logistic services by the subsidiary of the Company to 新疆蒙科. (e) A company beneficially owned by Mr. Lo has leased portion of office space to an indirect non-wholly owned subsidiary of the Company at monthly rental

of HK\$82,000. There was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group and none of the Directors had any interest, direct or indirect, in any asset which had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 30 June 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation, claim or arbitration of material importance and there was no litigation, claim or arbitration of material importance known to the Directors to be pending or threatened by or against any member of the Group.

6. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading positions of the Group since 30 June 2025, the date to which the latest published combined financial statements of the Group were made up.

7. MATERIAL CONTRACTS

Save and except the 2026 Subscription Agreements, no member of the Group had, within the two years immediately preceding the Latest Practicable Date, entered into any contract (other than contracts in the ordinary course of business of the Group) which was or might be material.

8. EXPERTS AND CONSENTS

The followings are the qualification of the experts who have given opinion or advice contained in this circular:

Name	Qualification
Somerley Capital Limited (“ Somerley ”)	A licensed corporation to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

Somerley has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and report in the form and context in which it is included and reference to its name in the form and context in which it appears.

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

As at the Latest Practicable Date, Somerley did not have any direct or indirect interest in any assets which had been, since 30 June 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by, or leased to any member of the Group, or were proposed to be acquired or disposed of by, or leased to any member of the Group.

9. GENERAL

- (a) The secretary of the Company is Mr. Tang Chi Kei. Mr. Tang is a member of the Hong Kong Institute of Certified Public Accountants and a fellow of The Association of Chartered Certified Accountants.
- (b) The registered office of the Company is located at P.O. Box 31119 Grand Pavilion Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands and the principal place of business of the Company in Hong Kong is at 17th Floor, 118 Connaught Road West, Hong Kong.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The English texts of this circular, the notice of the EGM and the form of proxy for use at the EGM shall prevail over their respective Chinese texts in case of inconsistency.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<https://www.visionvalues.com.hk>) for a period of 14 days from the date of this circular up to and including the date of the EGM:

- (a) the 2026 Subscription Agreements.

NOTICE OF EXTRAORDINARY GENERAL MEETING

VISION VALUES HOLDINGS LIMITED

遠見控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 862)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**Meeting**”) of Vision Values Holdings Limited (the “**Company**”) will be held at 10th Floor, United Centre, 95 Queensway, Admiralty, Hong Kong on Friday, 22 May 2026 at 11:00 a.m. for the purposes of considering and, if thought fit, passing with or without modifications, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT** subject to and conditional upon, (i) the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing of, and permission to deal in, the Consolidated Shares (as defined below) in issue and to be issued upon the Share Consolidation (as defined below) becoming effective; and (ii) the compliance with all relevant procedures and requirements under the Cayman Islands laws (where applicable) and the Rules Governing the Listing of Securities on the Stock Exchange to effect the Share Consolidation, with effect from the second business day immediately following the day of passing of this resolution, being a day on which the shares of the Company are traded on the Stock Exchange:
 - (a) every ten (10) issued and unissued ordinary shares of par value of HK\$0.01 each in the share capital of the Company be consolidated into one (1) ordinary share of par value of HK\$0.10 each (the “**Consolidated Share(s)**”) and such Consolidated Shares shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions contained in the articles of association of the Company (the “**Share Consolidation**”) so that following the Share Consolidation, the authorised share capital of the Company will be changed from HK\$200,000,000 divided into 20,000,000,000 ordinary shares of par value of HK\$0.01 each to HK\$200,000,000 divided into 2,000,000,000 ordinary shares of par value of HK\$0.10 each;
 - (b) all fractional Consolidated Shares resulting from the Share Consolidation will be disregarded and will not be issued to holders of the same but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company in such manner and on such terms as the directors of the Company (the “**Directors**”) may think fit; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) any one of the Directors or the officers of the Company be hereby authorised to take such actions, do all such acts and things and execute all such further documents or deeds (including under seal, where applicable) as they may, in their absolute discretion, consider necessary, appropriate, desirable or expedient for the purpose of, or in connection with, the implementation of or giving effect to or the completion of any matters relating to the Share Consolidation.”
2. **“THAT:**
- (a) the entering into of the five subscription agreements all dated 13 April 2026 between the Company as issuer and (i) Moral Glory International Limited; (ii) Chow Tai Fook Nominee Limited; (iii) Dragon Noble Group Limited; (iv) Next Victory Group Limited; and (v) Glory Light Limited (collectively, the **“Subscribers”**) as subscribers respectively (the **“Subscription Agreements”**, copies of which have been produced to the Meeting and marked **“A1”**, **“A2”**, **“A3”**, **“A4”** and **“A5”** respectively and signed by the Chairman of the Meeting for the purpose of identification) in relation to the issue by the Company to the Subscribers of the 3% convertible notes for a term of three (3) years from the date of issue (collectively, the **“Notes”**) in the respective principal amounts as stated in the respective Subscription Agreements, which the holders of the Notes shall be entitled to convert all or any part thereof (comprising the outstanding principal amounts and any accrued but unpaid interest thereon) into (after the above Resolution (1) as to Share Consolidation (as defined therein) being passed and becoming effective) ordinary shares having a par value of HK\$0.1 each in the Company (the **“Conversion Shares”**), at an initial conversion price of HK\$0.42 per Conversion Share (subject to adjustments as provided in the Notes), and the performance of the respective transactions contemplated under the Subscription Agreements by the Company be hereby ratified, confirmed and approved (as appropriate) in all respects;
- (b) the creation and issue of the Notes by the Company upon and subject to the respective terms of the Subscription Agreements be hereby approved in all respects;
- (c) subject to and conditional upon the granting by the Listing Committee of the Stock Exchange the listing of, and permission to deal in, the Conversion Shares, the allotment and issue of the Conversion Shares which may fall to be issued upon exercise of the conversion rights attaching to the Notes be hereby approved and the Directors be hereby authorised to exercise all the powers of the Company to allot and issue the Conversion Shares pursuant to and in accordance with the respective terms of the Notes; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (d) any one Director or, if the affixation of the common seal of the Company is required, any one Director and the company secretary of the Company or any two Directors or such other person or persons as the board of the Directors may appoint be hereby authorised for and on behalf of the Company to approve, sign, seal, execute, perfect and deliver all documents and to do all such acts, deeds and things which he/she/they may in his/her/their absolute discretion consider desirable, necessary or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Subscription Agreements and the Notes and the respective transactions contemplated thereunder, including without limitation to the issue of the Notes, the allotment and issue of the Conversion Shares and the execution, amendment, supplement, delivery, submission and implementation of any further documents or agreements in connection therewith.’

By Order of the Board
Vision Values Holdings Limited
Tang Chi Kei
Company Secretary

Hong Kong, 5 May 2026

Registered office:

P.O. Box 31119 Grand Pavilion Hibiscus Way
802 West Bay Road
Grand Cayman KY1-1205
Cayman Islands

*Head office and principal place of
business in Hong Kong:*
17th Floor,
118 Connaught Road West,
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting is entitled to appoint another person(s) as his/her proxy to attend and vote instead of him/her. In the case of a recognised clearing house, it may authorise such person(s) as it thinks fit to act as its representative(s) at the Meeting and vote in its stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority must be deposited at the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the holding of the Meeting or any adjournment thereof (as the case may be).
3. Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the Meeting or any adjournment thereof or upon the poll concerned and, in such event, the instrument appointing a proxy shall be deemed to have been revoked.
4. Where there are joint holders of any share, any one of such holders may vote at the Meeting either personally or by proxy in respect of such share as if he/she were solely entitled to vote; but if more than one of such joint holders be present at the Meeting in person or by proxy, then the one of such holders whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.

NOTICE OF EXTRAORDINARY GENERAL MEETING

5. For the purpose of ascertaining Shareholders' entitlement to attend and vote at the Meeting to be held on Friday, 22 May 2026, the register of members of the Company will be closed from Tuesday, 19 May 2026 to Friday, 22 May 2026, both dates inclusive, during which period no transfer of the shares of the Company will be registered. In order to be eligible to attend and vote at the Meeting, all transfers of the shares of the Company accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by no later than 4:30 p.m. on Monday, 18 May 2026. The record date for the purpose of determining the eligibility of the Shareholders to attend and vote at the EGM is therefore Friday, 22 May 2026.
6. If typhoon signal no. 8 or above remains hoisted or a black rainstorm warning signal is in force at 8:00 a.m. on the date of the Meeting, the Meeting will be postponed. Details of alternative meeting arrangements will be published on the Company's website (www.visionvalues.com.hk) and Hong Kong Exchanges and Clearing Limited's website (<http://www.hkexnews.hk>).

The Meeting will be held as scheduled when an amber or a red rainstorm warning signal is in force. Shareholders should make their own decision as to whether they would attend the Meeting under the bad weather conditions bearing in mind their own situation and if they should choose to do so, they are advised to exercise care and caution.

Shareholders who have any queries concerning the alternative meeting arrangements, please call the Customer Service Hotline of Tricor Investor Services Limited at telephone number (852) 2980 1333 from 9:00 a.m. to 5:00 p.m., Monday to Friday (excluding public holidays).