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

If you have sold or transferred all your shares in Asian Citrus Holdings Limited, you should at once hand this circular together with the accompanying form of proxy (as applicable) 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 the transferee.

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ASIAN CITRUS HOLDINGS LIMITED

亞洲果業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 73)

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
THREE (3) RIGHTS SHARE FOR EVERY ONE
(1) EXISTING SHARE HELD ON RECORD DATE
ON A NON-UNDERWRITTEN BASIS**

Financial adviser of the Company

VEDA | CAPITAL
智 略 資 本

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

 **軟庫中華 SBI China**

Placing Agent

 **金輝証券有限公司**
KAM FAI SECURITIES CO., LIMITED

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular unless otherwise stated.

A letter from the Board is set out on pages 7 to 42 of this circular. A letter from the Independent Board Committee is set out on page IBC-1 of this Circular. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages IFA-1 to IFA-41 of this circular.

The Rights Issue will proceed on a non-underwritten basis and there is no requirement for a minimum level of subscription. Subject to the fulfilment and/or waiver of the conditions of the Rights Issue, the Rights Issue will proceed regardless of the ultimate subscription level. It should be noted that the Shares will be dealt in on an ex-rights basis from Monday, 10 August 2026. Dealings in the Rights Shares in nil-paid form are expected to take place from Friday, 21 August 2026 to Friday, 28 August 2026 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Friday, 21 August 2026 to Friday, 28 August 2026 (both dates inclusive) will bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

A notice convening the SGM to be held at 10:00 a.m. on Thursday, 6 August 2026 is set out in the Notice of the SGM of this circular. A form of proxy for use at the SGM is enclosed with this circular. If you are a Shareholder and are not able to attend the SGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and any power of attorney or other authority (if any) under which it is signed, or a certified copy of that power of attorney, to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the SGM, or to Computershare Investor Services (Jersey) Limited, c/o The Pavilions, Bridgewater Road, Bristol BS99 6ZY, United Kingdom by 5:00 p.m. (UK time) on Thursday, 30 July 2026. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the SGM, or any adjournment thereof, should they so wish and in such event the form of proxy shall be deemed to be revoked.

* For identification purposes only

17 July 2026

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EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below, which is for indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled.

Event	Date (Hong Kong time)
Latest time for lodging transfer of shares to qualify for attendance and voting at the SGM	4:30 p.m. on Thursday, 30 July 2026
Closure of register of members of the Company for attending and voting at the SGM (both days inclusive)	Friday, 31 July 2026 to Thursday, 6 August 2026
Latest time for lodging proxy forms for the SGM (not less than 48 hours prior to the time of the SGM)	10:00 a.m. on Tuesday, 4 August 2026
Record date for determining attendance and voting at the SGM.....	Thursday, 6 August 2026
Expected time and date of the SGM	10:00 a.m. on Thursday, 6 August 2026
Announcement of the poll results of the SGM.....	Thursday, 6 August 2026
Register of members of the Company re-opens.....	Friday, 7 August 2026
Last day of dealings in the existing Shares on cum-rights basis relating to the Rights Issue	Friday, 7 August 2026
First day of dealings in the existing Shares on ex-rights basis relating to the Rights Issue	Monday, 10 August 2026
Latest time for the Shareholders to lodge transfer of existing Shares in order to qualify for the Rights Issue	4:30 p.m. on Tuesday, 11 August 2026
Closure of register of members to determine entitlements to the Rights Issue (both days inclusive).....	Wednesday, 12 August to Tuesday, 18 August 2026
Record date for determining entitlements to the Rights Issue.....	Tuesday, 18 August 2026
Register of members of the Company re-opens.....	Wednesday, 19 August 2026

EXPECTED TIMETABLE

Event	Date (Hong Kong time)
Despatch of (i) Prospectus Documents to Qualifying Shareholders; and (ii) the Prospectus with the Overseas Letter to Non-Qualifying Shareholders (if any)	Wednesday, 19 August 2026
First day of dealings in nil-paid Rights Shares	Friday, 21 August 2026
Latest time for splitting of PAL	4:30 p.m. on Tuesday, 25 August 2026
Last day of dealings in nil-paid Rights Shares	Friday, 28 August 2026
Latest time to lodge transfer of nil-paid Rights Shares to qualify for the payment of Net Gain	4:00 p.m. on Wednesday, 2 September 2026
Latest time for Acceptance	4:00 p.m. on Wednesday, 2 September 2026
Announcement of the number of Unsubscribed Rights Shares subject to the Compensatory Arrangements and the NQS Unsold Rights Shares	Wednesday, 9 September 2026
Commencement of placing the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent	Thursday, 10 September 2026
Latest time of placing the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent	6:00 p.m. on Thursday, 17 September 2026
Latest Time for Termination	4:00 p.m. on Friday, 18 September 2026
Announcement of results of the Rights Issue (including results of the placing of Unsubscribed Rights Shares and the NQS Unsold Rights Shares)	Monday, 21 September 2026
Despatch of refund cheques (if the Rights Issue is terminated)	Tuesday, 22 September 2026
Despatch of share certificates for fully-paid Rights Shares	Tuesday, 22 September 2026

EXPECTED TIMETABLE

Event	Date (Hong Kong time)
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Wednesday, 23 September 2026
Designated broker starts to stand in the market to provide matching services for odd lots of Rights Shares.....	Wednesday, 23 September 2026
Payment of Net Gain to relevant No Action Shareholders (if any) or Non-Qualifying Shareholders (if any)	Wednesday, 30 September 2026
Designated broker ceases to provide matching services for odd lots of Rights Shares	4:00 p.m. on Wednesday, 14 October 2026

Shareholders should note that the dates and deadlines specified in the above timetable and in other parts of this circular are indicative only and subject to change. Further announcement(s) will be made if there is any change to the expected timetable.

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

The Latest Time for Acceptance will not take place as scheduled if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning or “extreme conditions”:

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

If the Latest Time for Acceptance do not take place on or before 4:00 p.m. on the currently scheduled date, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

EXPECTED TIMETABLE

**WARNING OF THE RISKS OF DEALING IN THE SHARES AND/OR RIGHTS
SHARES IN NIL-PAID FORM**

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the fulfillment and/or waiver (where applicable) of conditions including, among other things, (i) obtaining the Independent Shareholders' approval for the Rights Issue; and (ii) the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Accordingly, the Rights Issue will not proceed if any of the conditions of the Rights Issue is not satisfied.

Any dealings in the Shares from the Latest Practicable Date up to the date on which all conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

Subject to the fulfilment and/or waiver (where applicable) of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares, and the results of the Placing. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders and the Placing Shares not placed under the Placing Agreement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“AFRC”	the Accounting and Financial Reporting Council
“Announcement”	the announcement of the Company dated 15 June 2026 in respect of the Rights Issue
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday and Sunday and any day on which a tropical cyclone warning signal no. 8 or above or “extreme conditions” 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 open for general business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Changjiang Tyling”	Changjiang Tyling Management Company Limited, a company incorporated in the British Virgin Islands. As at the Latest Practicable Date, Changjiang Tyling held 896,261 Shares, representing approximately 6.01% of the issued share capital of the Company and Changjiang was owned as to 50% by Mr. Ng and 50% by an Independent Third Party
“Circular”	this circular
“Committed Shares”	an aggregate of 13,348,455 Rights Shares to be offered to and subscribed by Mr. Kung under the Undertaking in respect of the 4,449,485 Shares registered in his name
“Company”	Asian Citrus Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 73)
“Compensatory Arrangements”	placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent on a best effort basis pursuant to the Placing Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules

DEFINITIONS

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Fruit Distribution Business”	the fruit distribution business of the Group as detailed in the section headed “Use of Proceeds and Reasons for and Benefits of The Rights Issue” in this circular
“General Rules of HKSCC”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board, comprising Mr. Liu Ruiqiang, Mr. Wang Tianshi and Mr. Zhuang Canbin, being all of the independent non-executive Directors, which has been established to give recommendation to the Independent Shareholders in respect of the Rights Issue
“Independent Financial Adviser”	SBI China Capital Hong Kong Securities Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO, being an independent financial adviser appointed by the Company with the approval of the Independent Board Committee for the purpose of advising the Independent Board Committee and the Independent Shareholders on the terms of the Rights Issue
“Independent Shareholder(s)”	any Shareholder(s) who are not required to abstain from voting at the SGM under the Listing Rules

DEFINITIONS

“Independent Third Party(ies)”	third party(ies) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, are independent of and not connected with the Company and its connected persons or any of their respective associates
“Last Trading Day”	15 June 2026, being the last trading day of the Shares on the Stock Exchange immediately prior to the publication of the Announcement
“Latest Practicable Date”	16 July 2026, being the latest practicable date prior to the printing of this circular
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 2 September 2026 (or such later time and date as may be determined by the Company), being the latest time for acceptance of and payment for Rights Shares
“Latest Time for Termination”	4:00 p.m. on Friday, 18 September 2026, (or such later time or date as may be agreed between the Company and the Placing Agent) being the latest time for termination of the Placing Agreement
“Listing Committee”	has the same meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Kung”	Mr. Kung Chak Ming (龔澤民), the shareholder of 4,449,485 Shares as at the Latest Practicable Date, representing approximately 29.86% of the issued share capital of the Company and the spouse of Ms. Li Ziying, an executive Director
“Mr. Ng”	Mr. Ng Ong Nee, the former Chairman, executive Director and Chief Executive Officer of the Company
“Net Gain”	the aggregate of any premium (being the aggregate amount paid by the placees after deducting (i) the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares placed by the Placing Agent under the Compensatory Arrangements; and (ii) the aggregate amount of the expenses of the Placing Agent and any other related expenses/fees)
“Net Proceeds”	the proceeds raised by the Rights Issue after deducting the relevant expenses

DEFINITIONS

“No Action Shareholder(s)”	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed (including the Non-Qualifying Shareholders in respect of NQS Unsold Rights Shares)
“Non-Qualifying Shareholder(s)”	Overseas Shareholders in respect of whom the Board, based on legal advices provided by legal advisers in the relevant jurisdictions, considers it necessary or expedient to exclude from the Rights Issue
“NQS Unsold Rights Share(s)”	the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) on the register of members of the Company on the Record Date are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) for the Rights Issue
“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent and/or its sub-placing agents(s) to the placees on the terms and subject to the conditions of the Placing Agreement
“Placing Agent”	Kam Fai Securities Co., Limited, a licensed corporation to carry out type 1 (dealing in securities) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 15 June 2026 and entered into between the Company and the Placing Agent in relation to the Placing on best effort basis
“Placing Shares”	the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to be placed by the Placing Agent pursuant to the Placing Agreement
“Plantation Business”	the plantation business of the Group as detailed in the section headed “Use of Proceeds and Reasons for and Benefits of The Rights Issue” in this circular
“Posting Date”	the date of despatch of the Prospectus Documents to the Qualifying Shareholders, and the Prospectus (for information only) to the Non-Qualifying Shareholders (as the case may be)

DEFINITIONS

“PRC”	the People’s Republic of China, which for the purpose of this circular excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be despatched to the Qualifying Shareholders (and the Non-Qualifying Shareholder(s) for information only) in connection with the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL(s) and any supplementary prospectus or supplementary provisional allotment letter (if required)
“Qualifying Shareholder(s)”	Shareholder(s), whose names appear on the register of members of the Company as at the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	Tuesday, 18 August 2026, being the record date to determine entitlements to the Rights Issue
“Registrar”	Computershare Hong Kong Investor Services Limited, the Company’s branch share registrar and transfer office in Hong Kong, situated at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Rights Issue”	the proposed issue of 44,701,587 Rights Shares at the Subscription Price on the basis of three (3) Rights Shares for every one (1) Share held at the close of business on the Record Date payable in full on acceptance
“Rights Share(s)”	the new Share(s) to be allotted and issued by the Company under the Rights Issue
“Scale Down”	possible scaling down arrangement of Mr. Kung’s assured entitlement under the Rights Issue to a level which does not trigger an obligation to make a general offer under the Takeovers Code immediately after completion of the Rights Issue pursuant to the note of Rule 7.19(5)(b) of the Listing Rules
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended and supplemented from time to time)

DEFINITIONS

“SGM”	the special general meeting of the Company to be convened, in which resolutions will be proposed to consider, and, if thought fit, to approve the Rights Issue
“Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$1.38 per Rights Share
“substantial shareholder(s)”	has the meaning as ascribed to this term under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Undertaking”	the irrevocable undertaking given by Mr. Kung in favour of the Company in relation to the proposed Rights Issue
“Unsubscribed Rights Shares”	Rights Shares that are not subscribed by the Qualifying Shareholders
“%”	per cent.

LETTER FROM THE BOARD



ASIAN CITRUS HOLDINGS LIMITED

亞洲果業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 73)

Executive Director:

Ms. Li Ziyang

Non-executive Director:

Mr. James Francis Bittl

Independent Non-executive Directors:

Mr. Liu Ruiqiang

Mr. Wang Tianshi

Mr. Zhuang Canbin

Registered office:

Clarendon House

2 Church Street

Hamilton

Bermuda HM 11

*Principal office of business
in Hong Kong:*

Room 2510, 25/F,

Arion Commercial Centre

2–12 Queen's Road West

Sheung Wan

Hong Kong

17 July 2026

To the Shareholders

Dear Sir or Madam,

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
THREE (3) RIGHTS SHARE FOR EVERY ONE
(1) EXISTING SHARE HELD ON RECORD DATE
ON A NON-UNDERWRITTEN BASIS**

INTRODUCTION

Reference is made to the Announcement and the announcement of the Company dated 3 July 2026 in relation to, among other things, the Rights Issue.

The purpose of this circular is to provide you with, among other things, (i) further details of the Rights Issue; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue; and (iv) a notice convening the SGM.

* For identification purposes only

LETTER FROM THE BOARD

1. PROPOSED RIGHTS ISSUE

The Board proposes to implement the Rights Issue on the basis of three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders at the close of business on the Record Date.

Issue Statistics

Basis of the Rights Issue	: Three (3) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	: HK\$1.38 per Rights Share
Net subscription price per Rights Shares	: Approximately HK\$1.31 per Rights Share (on the basis that all Rights Shares will be taken up)
Number of Shares in issue	: 14,900,529 Shares
Number of Rights Shares to be issued under the Rights Issue	: Up to 44,701,587 Rights Shares (assuming there is no change in the number of issued Shares on or before the Record Date)
Total number of Shares in issue immediately upon completion of the Rights Issue	: Up to 59,602,116 Shares (assuming there is no change in the number of issued Shares on or before the Record Date)
Gross proceeds from the Rights Issue	: Up to approximately HK\$61.7 million (assuming there is no change in the number of issued Shares on or before the Record Date)

As at the Latest Practicable Date, the Company does not have any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares. The Company has no intention to issue or grant any Shares, convertible securities, warranties and/or options on or before the Record Date.

Assuming no Shares are issued or repurchased on or before the Record Date and assuming all Rights Shares will be taken up, 44,701,587 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 300% of the total number of issued Shares as at the Latest Practicable Date; and (ii) 75% of the total number of issued existing Shares as enlarged immediately upon completion of the Rights Issue.

The theoretical dilution effect of the Rights Issue does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights issue is in compliance with Rule 7.27B of the Listing Rules.

LETTER FROM THE BOARD

Subscription Price

The Subscription Price of HK\$1.38 per Rights Share is payable by a Qualifying Shareholder in full upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue, or where a transferee of nil-paid Rights Shares subscribes for the Rights Shares.

Each Qualifying Shareholder will be entitled to subscribe for the Rights Shares at the same Subscription Price in proportion to the Qualifying Shareholder's shareholding in the Company held on the Record Date.

The Subscription Price represents:

- (i) a discount of approximately 31.34% to the closing price of HK\$2.01 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 28.13% to the closing price of HK\$1.92 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 31.82% to the average closing prices of approximately HK\$2.024 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day;
- (iv) a discount of approximately 30.55% to the average closing prices of approximately HK\$1.987 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to the Last Trading Day;
- (v) a discount of approximately 84.15% to the audited consolidated net asset value per Share of approximately HK\$8.709 (based on the latest published audited consolidated net asset value of approximately RMB112,348,000 (equivalent to HK\$129,761,940 based on exchange rate of RMB1 to HK\$1.155) as at 30 June 2025 and the total number of issued Shares as at the Latest Practicable Date);
- (vi) a discount of approximately 8.91% to the theoretical ex-rights price of approximately HK\$1.515 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$1.92 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (vii) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 23.86% represented by the theoretical diluted price of approximately HK\$1.541 per Share to the benchmarked price of approximately HK\$2.024 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$1.920 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five previous consecutive trading days prior to the Last Trading Day of approximately HK\$2.024 per Share).

LETTER FROM THE BOARD

The net Subscription Price per Rights Share (after deducting the relevant expenses) will be approximately HK\$1.31 per Right Share.

The Subscription Price was determined by the Company with reference to the factors below,

- (i) the size of the Rights Issue — to successfully achieve the Group’s fundraising target and considering both the total volume of Rights Shares to be issued and the trading volume of the Group over the three full months prior to the Last Trading Day. The trading liquidity of the Shares remained thin and at a relatively low level during the three-month period from March 2026 to May 2026 as the average daily trading volume per month fluctuated between approximately 1,391 Shares and 12,121 Shares, representing an immaterial percentage of the total number of issued Shares. Thus, the Subscription Price was set at discount to effectively lowers the entry barrier for existing Shareholders, creating an attractive proposition that encourages their full participation, preserves their equity stakes and minimizes passive dilution.
- (ii) the market price of the Shares under the prevailing market conditions — the Board factored in the volatile market sentiment in the Hong Kong capital market. Given that investors’ overall willingness to conduct capital market transactions has become notably risk-averse, the Board believes that setting the Subscription Price at discount to the recent market price of the Share serves as a buffer for existing Shareholders against market price volatility, thereby enhancing the marketability of the Rights Issue.
- (iii) the latest business performance and financial position of the Group — the Board also weighted its operational realities. Ongoing operational losses and a tight cash runway have limited the Group’s capability to internally fund new commercial opportunities. The Group has explored alternative debt financing channels by approaching two financial institutions. However, the Group’s loan requests were turned down due to its loss-making position. Moreover, the Directors consider that relying on debt financing under such adverse market conditions would impose an unnecessary strain on the Group’s future cash flows, which may hinder the Group’s long-term development. The Group possesses limited leverage to secure debt financing under favorable commercial terms, that equity financing via a discounted Rights Issue is therefore considered as a viable path to shore up capital without incurring heavy debt-servicing burdens.
- (iv) the reasons for and benefits of the Rights Issue as discussed in the section headed “Use of Proceeds and Reasons for and Benefits of the Rights Issue” in this letter — which mentioned the proceeds will be strategically deployed to drive the Group’s operational development which may allow the Group to expand its market reach, serving a wider customer base and ultimately amplifying its long-term commercial value and driving sustainable returns for the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Having considered the factors as detailed above, including (i) the pricing discounts against recent market closing prices and the net asset value per Shares, to successfully achieve the fundraising target and by lowering entry barrier as well as providing safety buffer against market volatility to encourage Shareholders to participate in the Rights Issue and maintain their shareholdings; (ii) the strategic benefits of the immediate use of proceeds; and (iii) the significant dilution effect of 23.86% is balanced by the opportunity for Qualifying Shareholders to maintain their pro-rata stakes, the ability to trade nil-paid rights, and the implementation of the Compensatory Arrangements to structurally safeguard the economic interests of Non-Qualifying Shareholders, the Directors are of the view that the terms of the Rights Issue, including the Subscription Price and its underlying rationale, are fair and reasonable, on normal commercial terms, and are in the interests of the Company and the Shareholders as a whole.

Conditions of the Rights Issue

The Rights Issue is conditional upon:

- (a) the passing of the resolution for approving the Rights Issue at the SGM by no later than the Posting Date;
- (b) the grant (or agreement to grant) by the Listing Committee of the Stock Exchange (and such grant not having withdrawn or revoked) of the listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms);
- (c) the delivery of the Prospectus Documents to the Stock Exchange for authorization and the registration with the Registrar of Companies in Hong Kong respectively one copy of the Prospectus Documents each duly signed by two Directors (or by their agents duly authorized in writing) as having been approved by resolutions of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) not later than the Posting Date;
- (d) the publication of the Prospectus on the website of the Stock Exchange and the posting of the Prospectus Documents to Qualifying Shareholders on the Posting Date;
- (e) compliance with the requirements under the applicable laws and regulations of Hong Kong;
- (f) if necessary, the obtaining of the consent or permission from the Bermuda Monetary Authority in respect of the issue of the Rights Shares pursuant to the Rights Issue; and
- (g) the Placing Agreement not being terminated on or before the Latest Time for Termination.

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All conditions set out above cannot be waived by any party. If any of the above conditions is not satisfied at or prior to the respective time stipulated therein, the Rights Issue will not proceed.

As at the Latest Practicable Date, save for conditions (e) and (g), all the other conditions have not been fulfilled.

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

Basis of provisional allotment

The Rights Shares will be allotted on the basis of three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders as at the close of business on the Record Date. There will be no excess application arrangements in relation to the Rights Issue.

The subscription ratio was determined by the Board after balancing the Group's expected capital requirement as elaborated in the section headed "Use of Proceeds and Reasons for and Benefits of the Rights Issue" against necessity of an attractive and accessible price entry as elaborated in the section headed "Subscription Price" of the Board Letter. To increase the acceptance of the Rights Issue in order to achieve the targeted amount of proceeds to be raised, the Subscription Price had to be set at an attractive discount, and any lower volume of Shares (i.e. two (2) to one (1)) would not meet the Group's fundraising target. Whereas, higher ratios (i.e. four (4) to one (1)) would enlarge the total share base and allow sizeable amounts of proceeds to be raised but would result in larger potential dilution impact on existing Shareholders should they do not or cannot take up their provisional allotments. Accordingly, the Board is of the view that alternative price/size ratio may either be insufficient to fulfill the Group's needs in expansion or may result in a potential bigger dilutions impact. After weighted the potential trade-offs, the Board is of the view that the subscription ratio under the Rights Issue is appropriate, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made only by completing a PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Status of the Rights Shares

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

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Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date and not be a Non-Qualifying Shareholder.

Subject to the passing of the resolution to approve the Rights Issue by the Independent Shareholders at the SGM and the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Despatch Date and will despatch the Prospectus only (without the PAL) to the Non-Qualifying Shareholders for their information only.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company and are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as members of the Company prior to the close of business on the Record Date, all transfers of the existing Shares (together with the relevant share certificate(s) and/or the instrument(s) of transfer) must be lodged with the Registrar at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. (Hong Kong time) on Tuesday, 11 August 2026 (Hong Kong time).

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

Closure of register of members

The register of members of the Company will be closed from Wednesday, 12 August 2026 to Tuesday, 18 August 2026 (both days inclusive) for determining the Shareholders' entitlements to the Rights Issue.

No transfer of the Shares will be registered during the above book closure periods.

Non-underwritten basis

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully subscribed, any Unsubscribed Rights Shares and the NQS Unsold Rights Shares will be placed to independent placees on a best effort basis by the Placing Agent under the

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Compensatory Arrangements. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue. As the Rights Issue will proceed on a non-underwritten basis, any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken-up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules.

Save for the Undertaking, the Company has not received any information or other undertakings from any Shareholders of their intention to take up or not to take up the securities of the Company to be offered to them under the Rights Issue as at the Latest Practicable Date.

Rights of Overseas Shareholders

If, at the close of business on the Record Date, a Shareholder's address on the Company's register of members is in a place outside Hong Kong, such Shareholder may not be eligible to take part in the Rights Issue. The Prospectus Documents to be issued in connection with the Rights Issue will not be registered or filed under the securities law of any jurisdiction other than Hong Kong. For the avoidance of doubt, Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

As at the Latest Practicable Date, there were in aggregate 601,249 Shares held by Overseas Shareholders, representing approximately 4.04% of the issued share capital of the Company. Based on latest Shareholders information available from the Registrar, their registered addresses located in England and Wales, Northern Ireland, Ireland, Jersey, Guernsey, Isle of Man, Gibraltar, the PRC, Australia, Malaysia, Costa Rica, Romania, Belgium, United Arab Emirates, Portugal, Barbados and Cayman Islands.

The Company will comply with Rule 13.36(2)(a) of the Listing Rules and make enquiries regarding the feasibility of extending the Rights Issue to Overseas Shareholders under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges, present on the Record Date. If it is in the opinion of the Board that it would be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place to exclude such Overseas Shareholders from the Rights Issue, no Rights Share (whether in nil paid or fully-paid form) will be offered to such Overseas Shareholders. The basis for excluding the Non-Qualifying Shareholders from the Rights Issue will be set out in the Prospectus. The Company will send the Prospectus to the Non-Qualifying Shareholders for their information only but

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will not send any PAL to them. For the avoidance of doubt, the Non-Qualifying Shareholders may vote at the SGM unless such person is not an Independent Shareholder (in which case they shall abstain).

The Company will continue to ascertain whether there are any other Overseas Shareholders (other than the aforesaid) as at the Record Date and, if applicable, will make further enquiries with legal advisers in other overseas jurisdictions regarding the feasibility of extending the Rights Issue to such Overseas Shareholder (if any) as at the Record Date.

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

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue subject to the results of the enquiries made by the Company pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

Application for the Rights Shares

The PALs relating to the Rights Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein by completing such form(s) and lodging the same with separate remittance for the Rights Shares being applied for with the Registrar by the Latest Time for Acceptance.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Tuesday, 22 September 2026. Those entitled, except HKSCC Nominees Limited, will receive one share certificate for all the Rights Shares in fully-paid form, allotted and issued thereto. Refund cheques are expected to be posted on or before Tuesday, 22 September 2026 by ordinary post, at the respective Shareholders' own risk, to their registered addresses if the Rights Issue is terminated.

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No fractional entitlements to the Rights Shares

On the basis of provisional allotment of three (3) Rights Shares for every one (1) existing Share held, no fractional entitlement to Rights Shares shall arise.

Odd lots arrangement

In order to facilitate the trading of odd lots (if any), the Company has appointed the Placing Agent to stand in the market to match the purchase and sale of odd lots of the Shares at the relevant market price, on a best effort basis during the period from Wednesday, 23 September 2026 to Wednesday, 14 October 2026 (both days inclusive).

Shareholders of odd lots of the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up to a full board lot may contact Kam Fai Securities Co., Limited at 21/F Champion Building, 287–291 Des Voeux Road Central, Hong Kong or at telephone number (852) 2522 6218 during office hours (i.e. 9:00 a.m. to 4:00 p.m.) of such period. Shareholders should note that matching of the sale and purchase of odd lots of the Shares is on a best effort basis and successful matching of the sale and purchase of such odd lots is not guaranteed.

Application for listing of the Rights Shares

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

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

Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

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Stamp duty and other applicable fees

Dealing in the Rights Shares in both their nil-paid and fully-paid forms and the Placing Shares which are registered in the register of members of the Company in Hong Kong will be in the board lots of 1,000 Rights Shares and will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and the Placing Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

Compensatory Arrangements

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

The Company has therefore appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares after the Latest Time for Acceptance to independent placees on a best effort basis, and any premium over the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related expenses/fees), that is realized from the Placing will be paid to the No Action Shareholders. The Placing Agent will, on a best effort basis, procure, by not later than 6:00 p.m. on Thursday, 17 September 2026, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares at a price not less than the Subscription Price. Any unsold Unsubscribed Rights Shares and the NQS Unsold Rights Shares under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid on a pro-rata basis (on the basis of all Unsubscribed Rights Shares and NQS Unsold Rights Shares) to the No Action Shareholders (but rounded down to the nearest cent) as set out below:

- (i) where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL (unless that person is covered by (iii) below);

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- (ii) where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holder of those nil-paid rights in CCASS (unless that person is covered by (iii) below);
- (iii) if the Rights Issue is extended to the Overseas Shareholders and where an entitlement to the Rights Shares was not taken up by such Overseas Shareholders, to those Overseas Shareholders.

It is proposed that Net Gain to any of the No Action Shareholder(s) mentioned in (i) to (iii) above which is in an amount of HK\$100 or more will be paid to them in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit.

PLACING AGREEMENT

On 15 June 2026 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement. Details of the Placing are as follows:

Date	:	15 June 2026 (after trading hours)
Issuer	:	The Company
Placing Agent	:	Kam Fai Securities Co., Limited was appointed as the Placing Agent to procure, on a best effort basis, placees to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares. It is a corporation licensed to engage in type 1 (dealing in securities) regulated activity under the SFO.

The Placing Agent has confirmed that:

- (a) it and its ultimate beneficial owner(s) are Independent Third Parties; and
- (b) as at the Latest Practicable Date, neither the Placing Agent nor any of its associates hold any Shares.

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- Placing fee and expenses : The higher of HK\$100,000 or 1% of the gross proceeds from the subscription of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares successfully procured by the Placing Agent and reimbursement for the expenses in relation to the Placing (including but not limited to all the costs and out-of-pocket expenses relating to the Placing actually, reasonably and properly incurred by the Placing Agent with the prior consent of the Company), which the Placing Agent is authorised to deduct from the payment to be made by the Placing Agent to the Company at the completion of the Placing.
- Placing price of the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares (as the case may be) : The final price determination will be dependent on the demand for and market conditions of the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares.
- The placing price of the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares (as the case may be) shall not be less than the Subscription Price.
- Placees : The Unsubscribed Rights Shares and the NQS Unsold Rights Shares are expected to be placed to the placees who and whose ultimate beneficial owner(s) are Independent Third Parties, and not a party acting in concert with Mr. Kung within the meanings of the Takeovers Code.
- The Placing shall not trigger any implications under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing.
- Ranking of Unsubscribed Rights Shares and the NQS Unsold Rights Shares : The Unsubscribed Rights Shares and the NQS Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank pari passu in all respects among themselves and with the Shares then in issue.
- Conditions precedent : The obligations of the Placing Agent under the Placing Agreement are conditional upon the following conditions being fulfilled:
- (a) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms (subject to any customary conditions) and such approval not having been withdrawn or revoked;

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- (b) the passing of all necessary resolutions for approving the Rights Issue at the SGM;
- (c) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and
- (d) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the Completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion of the Placing Agreement.

Save for condition (d) which may be waived by either party by notice in writing to the other party, none of the above conditions is capable of being waived.

In the event that the above condition precedents have not been fulfilled or waived (as the case may be) on or before the Latest Time for Termination, all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing save for any antecedent breach and/or any rights or obligations which may accrue under the Placing Agreement prior to such termination.

Termination

- : The Placing Agent may terminate the Placing Agreement without any liability to the Company, by giving notice in writing to the Company at any time prior to the Latest Time for Termination upon the occurrence of the following events which, in the reasonable opinion of the Placing Agent, has or may have an adverse material effect on the business or financial conditions of the Group taken as a whole or the success of the Placing or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

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- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industry, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's reasonable opinion would affect the success of the Placing; or
- (ii) the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would affect the success of the Placing; or
- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's reasonable opinion any such new law or change may affect the business or financial prospects of the Group and/or the success of the Placing; or
- (iv) any litigation or claim being instigated against any member of the Group or its senior management, which has or may have material adverse effect on the business or financial position of the Group and which in the Placing Agent's reasonable opinion would affect the success of the Placing; or

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- (v) any breach of any of the representations and warranties given by the Company as set out in the Placing Agreement having come to the knowledge of the Placing Agent or any event having occurred or any matter having arisen on or after the date of the Placing Agreement and prior to the completion date of the Rights Issue which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in a material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (vi) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

The engagement between the Company and the Placing Agent for the placing of the Unsubscribed Rights Shares and/or and the NQS Unsold Rights Shares was determined after arm's length negotiations between the Placing Agent and the Company and is on normal commercial terms with reference to (i) the existing financial position of the Group, under which the Board took into account the Group has a tight cash position with approximately RMB7.6 million as at 31 December 2025; (ii) the size of the Rights Issue, where the Board noted that, based on the current subscription ratio size of the Rights Issue, the Board has explored the possibility of appointing three other independent securities houses to act as placing agents for the transaction, but all of them have declined such that the current terms offered by the Placing Agent represented the best available terms to the Company; and (iii) and the prevailing market conditions, where the Board considered that although the market remains volatile, the underlying execution risk is inherently mitigated by the best-effort nature of the arrangement.

In determining the placing fee under the Placing Agreement, the Directors have reviewed a list of recent rights issue transactions announced by other Hong Kong listed companies. The selection criteria for the comparable transactions were as follows: (i) rights issues announced by Hong Kong listed companies during the two-month period immediately preceding the date of the Placing Agreement; and (ii) placings conducted on a non-best effort basis with compensatory arrangements with the terms announced in the respective announcements.

Based on the above criteria, the Directors have identified an exhaustive list of thirteen comparable transactions. The average and median placing fees of these comparables are approximately 1.82% and 1.50%, respectively. In addition, among the comparables, there were two transactions with a minimum fee floor of HK\$300,000, which carried placing fees of 2.20% and 1.50% respectively. Though the announcements and prospectuses of the two comparable transactions did not explicitly disclose the reasons for adopting a minimum fee

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floor, the Group considers that such arrangement was agreed primarily to secure a lower overall commission rate of 1%. After taking into account the minimum fee floor, the effective cost remains more favourable when compared to the 1.5% and 2.2% commission rates in those transactions. This structure also reflects the Group's circumstances, as it was unable to obtain more favourable financing terms from other financial institutions.

Taking into account the above commercial factors, with the minimum floor payment payable to the Placing Agent lowered than two recent comparables, the protective effect of the Compensatory Arrangements in optimizing and increasing the net proceeds of the Rights Issue in the event of under-subscription, and the current market sentiment where no other securities house is willing to act as placing agent for this transaction, the Board considers that the terms of the Placing (including the placing fee payable) are on normal commercial terms and are fair and reasonable.

UNDERTAKING

As at the Latest Practicable Date, Mr. Kung is beneficially interested in 4,449,485 Shares, representing approximately 29.86% of the issued Shares.

Mr. Kung has irrevocably and unconditionally undertaken to the Company that (i) he will not dispose of any of the 4,449,485 Shares comprising the current shareholding in the Company owned by himself, and such Shares will remain beneficially owned by him up to and including the Record Date; (ii) he will lodge his acceptance of the 13,348,455 Rights Shares, which will be the number of Rights Shares provisionally allotted to him in nil-paid form under the Rights Issue, with the Registrar or the Company, with payment in full therefor, by no later than the Latest Time for Acceptance or otherwise in accordance with the instructions set out in the Prospectus Documents; and (iii) in the event of an under-subscription of the Rights Shares, the Company has the power and authority Scale Down his assured entitlement under the Rights issue to a level which does not trigger an obligation to make a general offer under the Takeovers Code immediately after completion of the Rights Issue. The Scale Down will be applied pursuant to the note of Rule 7.19(5)(b) of the Listing Rules, when the rights issue is not fully underwritten and on the basis that if the issue is not fully taken up, the application of the Shareholder for his/her/its assured entitlement under the Rights Issue can be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code.

CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) under the following two scenarios arising from different acceptance ratios of the Rights Issue (for illustrative purpose only), assuming there is no change in the number of Shares in issue since the Latest Practicable Date:

- (a) assuming full acceptance by the Qualifying Shareholders and there is no Non-Qualifying Shareholders (“**Scenario I**”);

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- (b) assuming full acceptance by the Qualifying Shareholders and all Overseas Shareholders are determined as Non-Qualifying Shareholders so that all of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares having been placed by Placing Agent (“**Scenario II**”);
- (c) assuming nil acceptance by the Qualifying Shareholders of Rights Shares (except Mr. Kung’s subscription for Committed Shares pursuant to the Undertaking) and all Overseas Shareholders are determined as Non-Qualifying Shareholders so that all of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares having been placed by Placing Agent (“**Scenario III**”); and
- (d) assuming nil acceptance by the Qualifying Shareholders of the Rights Shares (except Mr. Kung’s subscription for Committed Shares pursuant to the Undertaking) and with none of the Unsubscribed Rights Shares or the NQS Unsold Rights Shares having been placed by Placing Agent so the Company exercised the Scale-Down (“**Scenario IV**”).

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue							
			Scenario I		Scenario II		Scenario III		Scenario IV	
	No of Shares	Approximate %	No of Shares	Approximate %	No of Shares	Approximate %	No of Shares	Approximate %	No of Shares	Approximate %
Mr. Kung (Note 1)	4,449,485	29.86%	17,797,940	29.86%	17,797,940	29.86%	17,797,940	29.86%	4,477,485	29.99%
Mr. Xu Guodian	1,381,215	9.27%	5,524,860	9.27%	5,524,860	9.27%	1,381,215	2.32%	1,381,215	9.25%
Changjiang Tyling (Note 2)	896,261	6.01%	3,585,044	6.01%	3,585,044	6.01%	896,261	1.50%	896,261	6.00%
Independent Placees (Note 3)	—	—	—	—	1,803,747	3.03%	31,353,132	52.60%	—	—
Oversea Shareholders	601,249	4.04%	2,404,996	4.04%	601,249	1.01%	601,249	1.01%	601,249	4.03%
Other public Shareholders	<u>7,572,319</u>	<u>50.82%</u>	<u>30,289,276</u>	<u>50.82%</u>	<u>30,289,276</u>	<u>50.82%</u>	<u>7,572,319</u>	<u>12.70%</u>	<u>7,572,319</u>	<u>50.72%</u>
TOTAL	<u>14,900,529</u>	<u>100.00%</u>	<u>59,602,116</u>	<u>100.00%</u>	<u>59,602,116</u>	<u>100.00%</u>	<u>59,602,116</u>	<u>100.00%</u>	<u>14,928,529</u>	<u>100.00%</u>

Notes:

- Mr. Kung is the spouse of Ms. Li Ziying (who is the Executive Director of the Company). Ms. Li Ziying is deemed to be interested in the 4,449,485 shares held by Mr. Kung by virtue of the SFO. In the event of an under-subscription of the Rights Issue, pursuant to the note of Rule 7.19(5)(b) of the Listing Rules, which sets out that an issuer may provide for shareholders to apply on the basis that, if the issue is not fully taken up, their application can be “scaled” down to a level which does not trigger an obligation to make a general offer after completion of the Rights Issue and the Placing (i.e. Mr. Kung’s shareholding cannot be increased to be more than 30% after the completion of the Rights Issue as illustrated in Scenario IV).
- Changjiang Tyling is 50% owned by Mr. Ng and 50% owned by an Independent Third Party. Mr. Ng (who is also a director of Changjiang Tyling) is deemed to be interested in the 896,261 Shares held by Changjiang Tyling by virtue of the SFO.
- As it is not expected that any of the individual Placees will become a substantial Shareholder immediately after completion of the Placing, the Unsubscribed Rights Shares and the NQS Unsold Rights Shares will form part of the public float of the Company.
- The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

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The Shareholders and the public investors of the Company should note that the above shareholding changes are for illustrative purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue and the Placing are subject to various factors, including the results of the acceptance of the Rights Issue. The public float requirements under Rule 13.32B of the Listing Rules shall be maintained by the Company at all times, and the Company will take all appropriate steps to ensure that sufficient public float shall be at all times in compliance with the Listing Rules.

USE OF PROCEEDS AND REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE

As at the Latest Practicable Date, the Company is an investment holding company and the Group is principally engaged in (i) the Plantation Business-planting, cultivation and sales of agricultural produce in the PRC; (ii) the Fruit Distribution Business-distribution of fruits in the PRC; (iii) the distribution and installation of air-conditioners in the PRC; and (iv) the sales and distribution of consumables and others products.

As set out below, aside for the repayment of the Group's liabilities to improve its financial position, the Net Proceeds will be allocated to expand the Group's business portfolio, support its agricultural operations, and secure long-term sustainable growth for the Group. The Net Proceeds will be primarily used to invest in the Group's development, including the procurement of raw materials, farming consumables and temperature-controlled equipment and cold-chain solutions. The temperature-controlled equipment and cold-chain solutions are designed to extend the shelf life of chilled food and perishable products while significantly reducing the risk of spoilage and wastage, which, among other benefits, can directly enhance the Group's operations in plantation, cultivation and sales and distribution. Concurrently, these assets and initiatives can serve as independent storage units, thereby reducing additional storage fees. The Directors are of the view that this enhanced capability will enable the Group to serve a wider customer base requiring specialized preservation, storage and distribution of perishable products, thereby amplifying the value of the Group's operational development and driving long-term sustainable returns for the Company and the Shareholders as a whole.

The Group's Plantation Business is carried out at Hepu Plantation located in Guangxi. The agricultural produce of the Groups is primarily passion fruits. With the aim to improve the Plantation Business's competitiveness, based on the results of internal feasibility study, the Group has been exploring different categories of fruits for the Plantation Business. The Group has identified crispy honey kumquats as the pilot product for product diversification purposes.

For Fruit Distribution Business, the Group mainly sources various fruits directly from its suppliers, including fruit distributors and farmers, based on the anticipated market demand and customer needs, identified through continuous monitoring, studying and evaluation of the market demand across different fruits categories and distribute to its customers, which are mainly fruit distributors and fruit retailers. Principal products of the Fruit Distribution Business varied years from years depending on the then market conditions, including but not limited to, market demand, quality as well as profitability. In the previous years, principal fruits distributed by the Group included winter jujube, pear, blueberry and watermelon, and value-added services mainly include (i) ensuring a stable supply fruits by identifying cost-effective fruit producing areas, entering into agreements with local suppliers in advance with a view to

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secure fruit supplies in a cost effective manner; (ii) responsible for arranging logistics and delivery services; (iii) arranging quality inspection agencies to test the fruits according to customers' requirements; and (iv) coordinating the handling of sub-standard fruits. The Company and its major customers, most of them are procured primarily through long term relationships developed with the Group over time, supplemented by referrals and recommendations from business, are located in Guangdong Province, including Shenzhen, have established a strong relationship built on trust and have consistently demonstrated its competence in delivering high-quality services and products. Such strong relationship is sustained by consistent product quality, on time delivery, competitive pricing, responsive communication and after sales support. The Group's long term relationship customers are counterparties with whom the Group has maintained recurring business over time. In respect of the supply, with a view to source the respective types of products from those who provide the best available quality fruits during each specific harvest period, the Company does not enter into any long-term contracts with its suppliers so as to maintain flexibility and ability to choose fruits with the required quality standard as well as in a position to negotiate at a price with a reasonable margin acceptable by the Group without the obligation to buy from any particular supplier.

Attributable to fierce market competition, the Group will cautiously consider and continuously evaluate the selection of suitable type(s) and quantities of the selected fruits to be purchased from multiple suppliers for the subject season, taking into account various factors, such as the changing customers' preference towards different type of fruits, and demand and supply in the market at the material time as well as price of the relevant fruits. It is the strategy of the Fruit Distribution Business to sources the types of products from suppliers that provide the best available quality during each specific harvest period, and decide the mix of fruit product taking into consideration the market competition and profitability of the respective type of fruit products.

To insulate its business models against the inherent operational vulnerabilities, the Group intends to optimize and improve its existing operations, logistics and post-harvest management arrangements through the procurement and phased deployment of advanced passive cold storage solutions as described below,

- (i) In respect of the Plantation Business — upon harvest, fresh produce will be immediately transitioned into the cabinets at localized fulfillment centers. Unlike traditional refrigerated units whose forced-air fans accelerate moisture loss and rapid decay, these cabinets utilize a fan-less, passive cooling design that releases cooling evenly. This creates a constant temperature and high-humidity environment that halts the natural ripening process immediately post-harvest. This extended preservation lifecycle grants the Group the strategic leverage to cultivate and store anti-seasonal fruits and time-lagged agricultural produces. Instead of being forced into fire-sales during peak harvest gluts, the Group can optimize its logistical distribution timelines and command premium, stable wholesale prices with institutional B2B buyers and potentially drive up profit margins.

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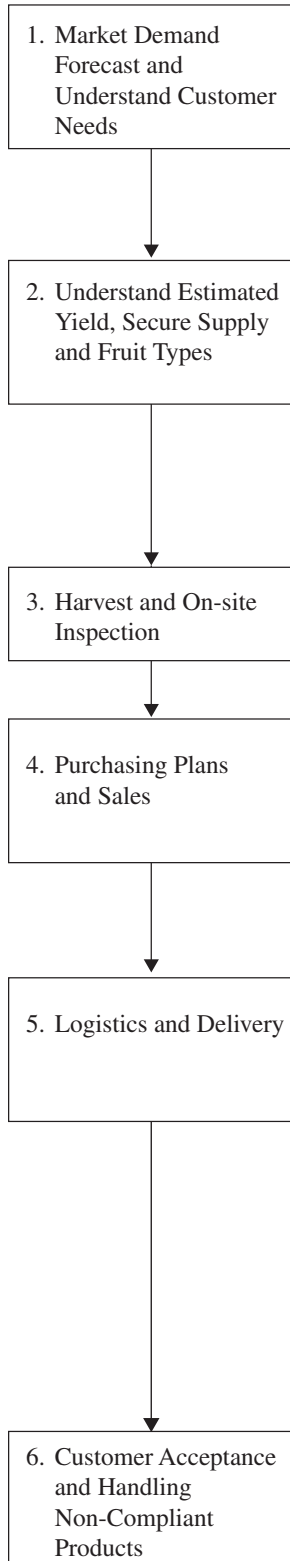
- (ii) In respect of the Fruit Distribution Business — Functioning interchangeably as freshness boxes, intermodal shipping containers and mobile cold storages, these cabinets will be utilized to seamlessly facilitate multi-modal transport directly from third-party orchards to the final destination without the need to unload the cargo. Logistic management will be notably improved as the Group can implement a seamless, containerized journey where cargo is never unloaded. For high-value, delicate tropical fruits, maintaining an entirely unbroken cold chain across land, sea and transshipment hubs can drastically minimize the potential cargo damage and product loss, reducing the estimated loss rate to under 5%. By leveraging the advanced capabilities of the new passive cold storage solutions — specifically the ability to maintain premium fruit quality over extended transit distances and ensure a completely unbroken cold chain — the Group is well-positioned to significantly diversify and expand its customer base. This technological upgrade unlocks the capacity to reliably service high-end retail chains, e-commerce platforms, and tier-one regional wholesalers across a wider geographical footprint in the PRC, thereby driving transaction volumes and attracting institutional buyers who demand the highest standards of fresh product preservation.

The Group's business plan for improving its existing plantation and Fruit Distribution Businesses relies on a highly flexible, non-capital-intensive deployment matrix. Rather than investing heavily in traditional, fixed brick-and-mortar cold storage facilities — which incur extensive construction timelines and rigid civil infrastructure costs — the Group plans to adopt advanced, new-energy passive cold storage solutions and benefit from equipment versatility. The deployment will comprise multi-specification passive cold storage boxes and cabinets (including micro, standard, and large-scale mobile passive units) with an estimated useful life up to 20 years. These units require less storage-related fees and can be dynamically deployed or relocated based on harvest seasonal demand.

For the purpose of illustration, flowcharts setting out the Fruit Distribution Business model before and after the adoption of temperature-controlled cabinets are provided below. (The Plantation Business operates under a similar model, except that the fruits are cultivated and harvested by the Group itself instead of being sourced from third-party suppliers.) It should be noted that as the nature, scope and complexity of each type of fruits and customers may involve different value-added services, the product and services provided by the Group may differ from order to order.

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Flow Chart



At the initial stage, the Group will determine the types and specifications of fruits to be purchased. The Group's staffs continuously monitor, study and evaluate market demand for various fruits and maintain regular communication with existing customers to understand their needs and preferences. They also closely track market price movements, supply and demand dynamics of relevant fruits, and formulate appropriate sales strategies accordingly.

Subsequently, the Group will send its staff to liaise with suppliers regarding the types and volumes of fruits expected to be ordered. The staff will visit orchard bases and maintain ongoing communication with both existing and potential suppliers to obtain information on estimated yields, including quality and quantity. In addition, the Group regularly engages with farmers and farms (i.e., suppliers) to assess and align available supplies with prevailing market demand for different types of fruits.

During the harvest period, the Group's staff will inspect the fruits to ensure they meet the prescribed standards in terms of quality and quantity.

Following the harvest, the Group's staff will further negotiate with the suppliers to finalise and confirm the details of the purchase, including fruit varieties, quantities, delivery timetable, price, payment terms, and logistics arrangements. After the purchase orders with the suppliers have been confirmed, the staff will liaise with customers to determine the details of the sales, including fruit varieties, quantities, delivery timetable, price, payment terms, and logistics arrangements.

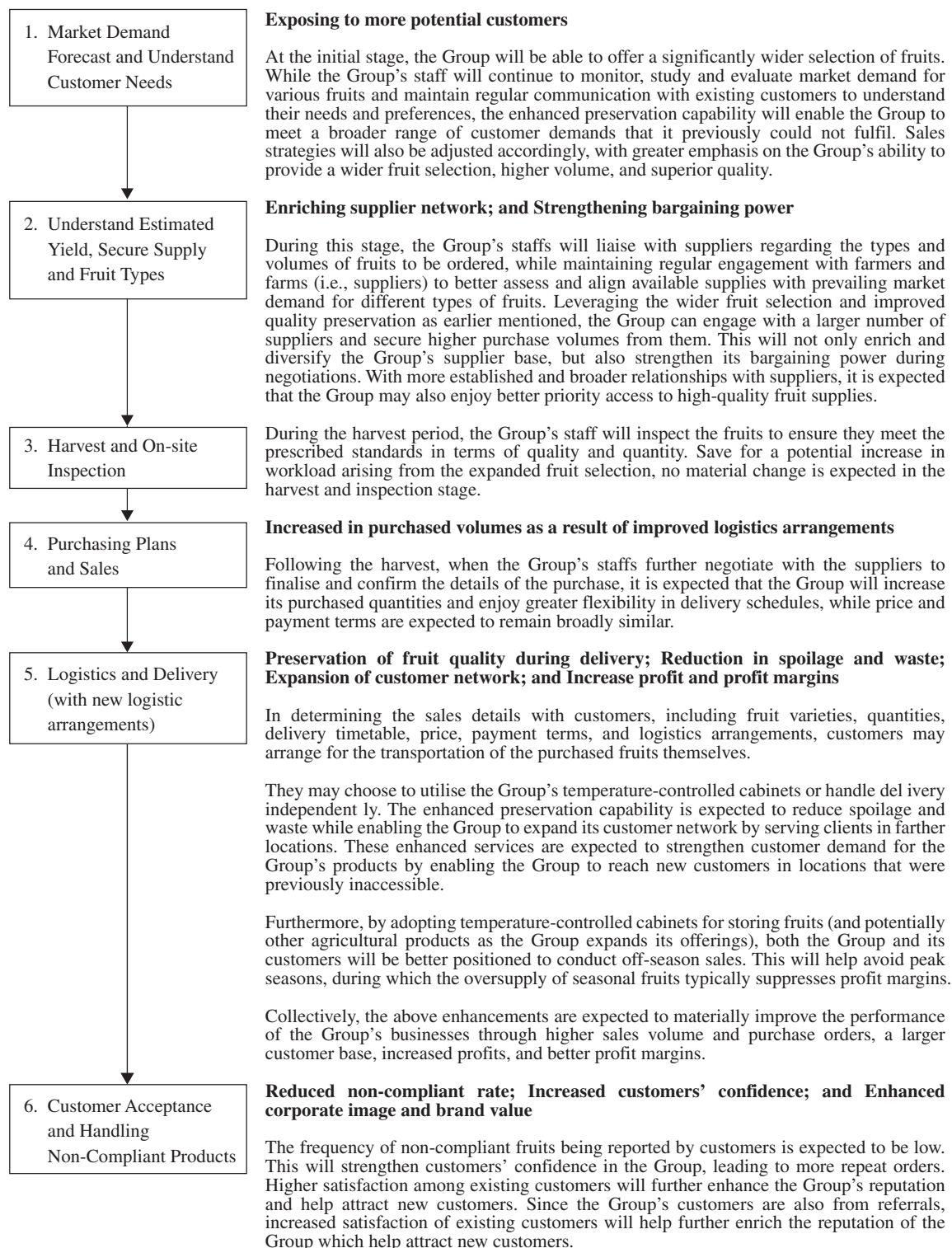
For the logistics arrangement, the staff will collaborate with suppliers to arrange delivery services, which will be provided by either suppliers themselves or external vendors.

Upon customers' request, the Group may engage qualified independent testing agencies to conduct quality inspections in accordance with the customers' specific requirements to ensure that the fruits meet the required standards. The Group may also assist customers by providing optimal packing solutions designed to preserve fruit quality and prevent damage during transit. Upon customers' request, the Group will design customized packaging solutions and may also help in recommending and providing appropriate packaging materials tailored to the characteristics of different fruit types, such as size, weight, and fragility.

In the event of non-compliant fruits being reported by customers, the Group will promptly assess the issue to identify the root cause and implement appropriate remedial measures to resolve the problem.

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Following the adoption of temperature-controlled cabinets, while the core business model of the Fruit Distribution Business is not expected to change materially, the Group expects to derive numerous benefits and improvements in its operations as follows:



An improved corporate image and brand value is also expected to bring benefits beyond immediate sales growth. These include facilitating market expansion, enhancing overall stakeholder confidence, attracting investors, and supporting future fund-raising exercises, all of which will contribute to the Group's long-term sustainable growth.

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As illustrated above, with the adoption of advanced temperature-controlled cabinets, the Group can now, among other advantages, offer a significantly wider selection of fruits. This enables higher estimated fruit yield and increased overall supply volume, while also allowing the Group to reach a broader and more diverse customer base.

These cabinets, with their built-in internal temperature control function, can effectively control the storage costs. The harvested fruit volume is expected to be more closely equal the ready-for-sale quantity upon reaching the customer's designated location. The improved quality maintenance allows the Company to increase selling prices, supported by superior fruit quality, thereby boosting sales and profit margins.

Moreover, the enhanced capabilities enable off-season fruit sales and help avoid over-supply problems. These cabinets provide superior storage conditions throughout the entire logistics process, effectively minimizing spoilage and physical damages. The Group may extend its reach to further regions and support multi-stop deliveries. Even unsold products can now be stored longer without rotting.

It is believed that, upon delivery, these solutions significantly may reduce non-compliant goods and refunds, thereby increasing customers' confidence, encouraging more purchasing orders, and generating referrals for future business. The improved reliability and quality also encourage more suppliers to cooperate with the Company.

Had the passive temperature-controlled cabinets been successfully adopted and deployed by the Group, it will be well-positioned its agricultural logistic pipeline to cover a broader matrix of products, which include but are not limited to, lychees and Chinese bayberries. Most of the crops typically require continuous chilled storage so as to prevent them from rapid heat-induced fermentation, enzymatic browning, and structural collapse under suboptimal temperature during summer transit. Similarly, the advanced insulation and thermal-regulation capabilities of the passive temperature-controlled cabinets may enable the Group to capture market opportunities for winter agricultural products. The Group aims to capture the opportunities for logistics operations to safeguard delicate winter crops-such as sweet potatoes and garlic sprouts and subtropical fruits like bananas and dragon fruit. These products face significant winter wastage risks due to chilling injury, freezing, and cellular breakdown, and utilizing the customized cabinets may provide a stable, heated baseline that preserves product integrity and eliminates frost damage during cross-provincial transit into freezing climates.

The table below, for illustrative purposes only, sets out a summary of the comprehensive quantitative and qualitative analysis — detailing the expected operational metrics, key underlying assumptions, and targeted financial and strategic benefits supporting the Group's temperature-controlled equipment expansion upon completion of the Rights Issue. Shareholders should note that the target post-expansion metrics and expected benefits set out in the table are illustrative operational targets and benchmarks based on the industry, preliminary discussions with suppliers, and the technical specifications provided by the equipment manufacturers. These metrics do not constitute a profit forecast, guarantee, or absolute prediction of future performance.

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Analysis Factors	Operational Constraints	Target Post-Expansion Metrics
Spoilage & Wastage Rates	Comprehensive fruit spoilage and wastage rates range from 10% to 18%, with losses for high-value berry categories peaking at up to 40%.	Projected to drop significantly to below 5% globally across all seasons. Instantly minimizes write-offs of damaged inventory, maximizing the volume of sellable inventory extracted from each harvest cycle.
Sales & Production Volume	Distribution volumes drop during peak winter or extreme summer heat waves due to unsafe transport conditions over long distances.	The peak operating season for seasonal products general together with the annual shipment window spans over 6 months. This enhanced inventory capacity is utilized to lock in supply during off-peak windows and defer shipments to capture premium market pricing. The Group expects that this will unlock new, higher-demand metropolitan markets across the PRC that were previously unreachable due to logistics boundaries. The Group projected increase by around 30% in total transacted volume with stable, year-round delivery capabilities.
Selling Price and Gross Profit Margin	Traditionally, market prices are highly volatile and may subject to notable discounts driven by over-ripe fruit degradation during the summer months and frostbite or discoloration damage during the winter seasons. Consequently, profit margins are heavily compressed by significant asset write-offs from seasonal spoilage and an operational over-reliance on low-margin, bulk wholesale distribution channels.	The Group anticipated an overall expansion from approximately 10% to 20% that will be primarily driven from electricity savings and cost reduction, reduction in cargo damage/spoilage and premium fruit pricing. The core incremental gross profit drivers, including (i) liquidation losses — eliminates the need for low-price fire sales of clearance stock, reduces revenue erosion and optimizes the residual value of inventory; (ii) reduction in capital and operating overhead — removes the requirement for backup generators and ice-making/heating equipment, thereby saving on fuel expenses and manual labour costs; and (iii) logistical efficiency — facilitates bulk centralized procurement alongside phased distribution, minimizing high-frequency logistics overheads and accelerating inventory turnover efficiency. Accordingly, instead of increasing selling prices, the Group expects to preserve pristine, premium-grade quality and sustain higher average selling prices over a prolonged sales lifecycle. This extended preservation capacity allows the Group to strategically lock in high-quality inventory and defer distribution to capture significantly higher gross profit margins through counter-seasonal (off-season) sales, capitalizing on diminished market supply and premium pricing structures during off-peak months.

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Analysis Factors	Operational Constraints	Target Post-Expansion Metrics
Logistics & Operating Costs	Dependent on expensive specialized reefer trucks that charge premiums for active heating or cooling configurations.	Utilising innovative technologies and advanced materials, when integrated with photovoltaic (solar) systems under most climatic conditions, the passive controlled-temperature cabinets require no external energy sources during vehicle transit, enabling year-round, constant-temperature refrigeration. The interior employs a windless (static) cooling architecture, which can extend the shelf-life of fruits and vegetables multiple times over, preventing the loss of moisture and nutrients, thereby enabling counter-seasonal storage and sales. Additionally, the Group expects that this technological upgrade will upon the seamless integration and optimized utilization of these assets in the long run, materially reduce the manual labour costs traditionally associated with sorting, clearing and destroying rotten fruit, thereby streamlining overall operating expenditures and enhancing administrative efficiency.
Customer Base Size	Limited to buyers willing to accept seasonal quality fluctuations.	Diversifies the client portfolio away from volatile open-air markets toward long-term high-volume contracts (including medium-to-top-tier brands) as the Group is expected to offer innovative strict cold-chain and warm-chain compliance required by various platforms and high-end chains, positioning as a reliable 365-day supplier.
Supplier Network	Limited to regions with moderate climates or adjacent to active temperature controlled warehouses.	Farmers are incentivized to sign exclusive agreements because the Group's passive temperature-controlled cabinets protect their harvests from immediate post-harvest heat or unexpected winter frosts at the farm gate. Establishing early-stage control over premium upstream agricultural supply lines, locking out traditional competitors. Accordingly, the Group is aiming for an expansion of supplier network to include remote premium growing regions.

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Note: the expected financial and strategic benefits set out above are grounded in the following reasonable commercial assumptions:

- (i) that climatic conditions in the target provinces remain stable without catastrophic weather events impacting total harvest yields;
- (ii) that the passive temperature-controlled cabinets procured monthly during the 2026 execution cycle will achieve an active operational utilization rate, serving as cooling assets during harvest seasons and warming/insulation assets during winter distribution cycles;
- (iii) that consumer demand for premium, health-conscious fruit varieties in urban centers remains robust, supporting the projected premium pricing tier;
- (iv) that the passive temperature-controlled cabinets consistently meet their technical design specifications, successfully maintaining internal temperatures between -10°C to 20°C for up to 24 hours without grid connectivity, protecting cargo against both external ambient heat and sub-zero winter temperatures.

In terms of an expected timeline, the Board intends that the short-to-medium execution cycle spans from September 2026 to December 2027, with equipment procurement schedules carefully calibrated to align with sequential geographical expansion priorities to Sichuan and Yunnan and subsequently to Guizhou). The Group has engaged in advanced negotiations with the equipment manufacturers, finalized operational deployment strategies, and near-finalized the underlying purchase orders. Key performance milestones have been mapped out (set out below) to integrate these assets into the Group's core businesses to maximize operational efficiency. Accordingly, upon receiving the net proceeds from the Rights Issue, the Group is fully prepared to execute immediate deployment by confirming these near-finalized purchase orders without delay. Concurrently, the Group has initiated advanced commercial discussions with a selective pool of reliable potential customers and suppliers to pre-market its new cold-chain capabilities, while to preserve the Group's first-mover advantage and prevent any premature leakage of its proprietary operational strategies. As at the Latest Practicable Date, the Group has entered into two non-legally binding memoranda of understanding with two parties, entered on 16 June 2026 and 18 June 2026 respectively under which the Group will act as the fruits provider. Party A has been engaged in various supply chain services, including agricultural products and fruit wholesaling, with years of operations primarily in the Guangxi and Guizhou provinces. Party B is also committed to supply chain services, including agricultural products and fruit wholesaling, and has been involved in the wholesaling of durian, cherries, mangoes, lychees, bayberries, and other fruits. The Company is expected (i) to source its fruits and products through a combination of harvesting from its own plantations, its established fruit supplier network under the Fruit Distribution Business, and other reliable suppliers in the PRC and (ii) to leverage its existing customer and supplier relationships to partner with enterprises that operate their own planting bases. These strategic partners will provide access to their upstream orchards and planting farms, further enhancing the Company's sourcing capabilities and stability. Backed by its extensive experience in the Fruit Distribution Business, the Company is well positioned to secure a stable and sufficient supply of high-quality fruits to meet its customers' needs.

The parties have agreed that each of them will adopt the Group's passive temperature-controlled cabinets across their entire product supply chains, with the aim of reducing losses through single-loading/unloading operations and generating additional revenue by improving

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temperature retention and freshness preservation. A certain number of cabinets (to be mutually agreed) will first be deployed for a trial cooperation phase. Both parties have further agreed that formal cooperation will officially commence after the Group completes its financing, following which binding formal cooperation agreements will be entered into. Should the trial cooperation proceed smoothly, (i) Party A and its partners, who have access to up to 11,000 tonnes of annual production resources from origin areas, have expressed interest in working more closely with the Group to jointly develop businesses in Guangxi, Guizhou, and other regions; and (ii) Party B and its partners, who have access to up to 10,000 tonnes of annual production resources from origin areas, have expressed interest in working more closely with the Group to jointly develop businesses in Yunnan, Sichuan, and other regions. However, due to uncertainties surrounding harvesting schedules and supply cycle instabilities, the parties are currently unable to enter into legally binding definitive written contracts.

The table below sets out the definitive milestones for procurement, delivery, rollout phases, and the commencement of revenue-generating operations:

Period	Phase/Milestone	Expected Operational Activities/Targets
September– December 2026	Purchase and Modification	With the proceeds from the Rights Issue, the Company expects to apply around HK\$20.0 million (HK\$4.79 million per month) and will order the passive temperature controlled cabinets in rolling batches of 20 units per month to optimize transport logistics and allow technical feedback to be integrated into successive production orders.
		Procure all foundational spare parts packages and auxiliary operational assets required to maintain the upcoming fleet.
		Onboard specialized technicians to execute tailored modifications on the cabinets, calibrating to the Company's operational demands.
		Run comprehensive staff training to ensure all frontline operational workers are fully qualified to manage the cabinets.
January–February 2027	First Delivery	Production completion and physical delivery of the first batch of 20 customized passive cold-chain equipment.
	Rollout phase 1 & Commencement of Operations	Immediate deployment of the entire first batch of delivered equipment across Guangxi and Shaanxi. By leveraging the Group's existing operational infrastructure and mature client base, these equipment will be instantly absorbed to optimize the supply chain efficiency of active fruit distribution lines.

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Period	Phase/Milestone	Expected Operational Activities/Targets
March 2027	Operational Replenishment	Arrival and immediate integration of the second batch of 20 customized passive cold-chain equipment to reinforce and expand capacity within established distribution loops.
April–May 2027	Rollout Phase 2 & Regional Expansion	Sequential delivery and deployment of the remaining 40 customized passive cold-chain equipment from the 2026 procurement budget. This influx officially initiates the physical business network layout and fruit distribution operations in new target territories, i.e. Sichuan and Yunnan.
May–July 2027	Procurement Phase II	In parallel with active operations in the above-mentioned territories, the Group will launch bulk customized procurement for the next wave of equipment in the amount of around HK\$13.5 million, which is expected to be funded via the remaining available Net Proceeds allocated for this dedicated capital expenditure. This is the Group's preliminary plan. Since the temperature-controlled cabinets have not yet been incorporated into the Group's business operations, the remaining proceeds may be utilised earlier than anticipated if the integration is implemented more effectively than expected.
October–December 2027	Rollout Phase III & Full Consolidation	Centralized arrival of the new purchased equipment. Units will be pushed out in targeted waves matching real-time contract volumes and distribution node progress in Sichuan and Yunnan, while simultaneously launching a comprehensive business expansion into other provinces such as Guizhou.

In light of the expected expansion plan and target locations, the Group is poised to achieve strategic point placement by positioning its temperature-controlled assets across three critical nodes of the agricultural supply chain. At the origin pre-cooling hubs, simple structural modifications and temperature controlling components will be deployed directly at the farm gates and plantations to instantly arrest fruit respiration post-harvest, directly preserving the quality of high-value cultivars.

These operations are expected to feed into the logistics and distribution nodes, where warehousing sorting racks and thermal insulation auxiliary materials will be seamlessly integrated into core logistics parks and regional agricultural distribution centers. Finally, at the last-mile demand nodes, the Group's mobile units will act as urban front-distribution centers (front hubs) to seamlessly service high-end retail chains, e-commerce platforms, and regional wholesalers across the PRC.

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As the timeline advances into Sichuan, Yunnan, and Guizhou, the mobility of these temperature-controlled assets gives the Group the commercial agility to capture high-end retailers and regional wholesale platforms that mandate continuous temperature preservation — thereby systematically diversifying the Group’s revenue portfolio and broadening its market share in the PRC agricultural sector.

It is expected that the potential strategic and financial advantages of this technological rollout could materially enhance the Group’s profitability and capital efficiency. This will be reflected in a possible expansion of production and sales volumes resulting from improved cultivation precautions and fruit collection management; higher average selling prices achieved through enhanced quality management; and an increase in both the customer base and transaction volumes due to a higher proportion of premium fruits in the product mix. Mechanically, the equipment feature a passive, energy-storing architecture that maintains targeted temperatures for 12 to 24 hours without power grid connectivity and provides fully adjustable temperature parameters ranging from -10°C to 20°C (and below -18°C). This allows the Group to flexibly shift its storage assets according to seasonal demands and safely deploy battery-swapping supply points in remote production regions, insulating operations against localized power grid blackouts.

In the highly competitive fresh produce market in the PRC, these technological benefits are considered commercially vital to the sustainable operation of both the Fruit Distribution Business and Plantation Businesses, as they not only enhance the Group’s profitability in the near term, but also safeguard against future operational uncertainties. Traditional supply chains are often plagued by severe product degradation, which erode profit margins and restrict market access.

To the best knowledge of the Directors, these passive temperature-controlled cabinets have not yet been widely adopted by others in the industry, and carry the following advantages over traditional/existing cabinets:

- Grid-independent and photovoltaic charged
- Notably longer storage time with substantially lower spoilage rate
- Remote monitoring and wireless uniform temperature-controlling technology
- Enable anti-seasonal sales
- Significantly lower energy consumption which results in reduced energy costs in logistics arrangements.

The Group’s intended transition to this grid-independent, intermodal passive cooling infrastructure represents an essential strategic imperative to protect its biological assets, secure supply consistency, and defend its bottom line against rising costs. Furthermore, by executing this improvement now, the Group secures vital first-mover advantages within the regional agricultural and fruit sector. Establishing an early-stage, technologically superior logistics and storage network allows the Group to set new industry benchmarks for quality and freshness, lock in long-term supply partnerships with remote premium growers, and capture market share from traditional competitors before such advanced solutions become widely adopted across the

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industry. By offering superior quality preservation, significantly reduced spoilage, extended shelf life, and the ability to serve off-season and distant markets, the Group can differentiate itself from traditional distributors. This technological edge not only enables access to a wider range of products (including more agricultural products), but also strengthens the Group's competitive edge, making it harder for competitors to match and allowing the Group to become significantly more competitive in the market.

Having considered that (i) the procurement of customized passive cold storage units will directly facilitate the Group's expansion plan, where immediate capital deployment is vital to capturing harvest and distribution windows; (ii) procurement contracts must be funded and capitalized without delay to ensure that the first batch of customized equipment is fully manufactured, delivered, and operational before December 2026, thereby enabling immediate rollout and revenue generation; (iii) any deferral of the fundraising exercise would cause the Group to entirely miss this late-2026 market window, consequently disrupting the sequential deployment timeline mapped out for the target provinces in early 2027; (iv) the Group's strategic pivot toward diversifying its Plantation Business — specifically through the introduction of premium, high-value cultivars — mandates the immediate presence of cold-chain infrastructure, as such high-value fruits suffer from rapid post-harvest respiration and severe spoilage rates if not treated immediately; (v) the Group has an urgent commercial need to deploy origin pre-cooling hubs and last-mile front hubs at this juncture to preserve fruit quality and minimize wastage, meaning any delay in the Rights Issue would directly translate to lost of revenue, accelerated product degradation, and a failure to capture market share; and (vi) alternative financing options may result in undue financial burden on the Group and are less commercially reasonable, the Board is of the view that the funding need for the Rights Issue is imminent and is in the best interests of the Company and the Shareholders as a whole.

Allocations of the Net Proceeds

Assuming full subscriptions of the Rights Issue, the Net Proceeds are estimated to be approximately HK\$58.5 million (assuming no change in the number of Shares in issue on or before the Record Date).

The Company intends to apply the Net Proceeds as to:

- (i) approximately 57.3% of the Net Proceeds (representing approximately HK\$33.5 million assuming full subscriptions) for the procurement of temperature controlled equipment and cold-chain solutions in passive cold storage cabinets. The proceeds will be utilized for the procurement of passive cold storage cabinets and their relevant operational assets and supporting equipment, as well as for associated maintenance, insurance and staff training regarding their operations to enhance the value chain and post-harvest management, in particular on the Group's agricultural and Plantation Businesses. Since the temperature-controlled equipment and cold-chain solutions are designed for both heating and cooling functionalities, the Company expects to deploy them in phases, prioritizing an initial rollout across the Shaanxi and Guangxi areas to capitalize on temperature fluctuations during seasonal transitions, specifically utilizing the cooling capabilities during peak summer temperatures and ensuring temperature maintenance during the winter seasons, to

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ensure optimal product preservation. It is expected to utilize around HK\$20.0 million by the end of 2026. Subsequently, the Group intends to expand its footprint into other regions in the PRC, with an emphasis on the Yunnan, Guizhou and Sichuan regions, and the pace of the remaining rollout will be dependent upon market demand and the operational results of the Group's cultivation, sales, and distribution activities in the next one to two years;

- (ii) approximately 18.8% of the Net Proceeds (representing approximately HK\$11.0 million assuming full subscriptions) for repayment of loans and accrued interests (repayable via monthly instalments), of which (a) a total allocation of approximately RMB5.27 million will be deployed to fully settle six bank loans carrying interest rates ranging from 3.0% to 11.8% per annum, all of which the maturity falls due between July 2026 and September 2026; (b) an allocation of approximately RMB0.63 million will be applied to repay one bank loan carrying an interest rate of 6.9% per annum, which matures in January 2027; and (c) a total allocation of approximately RMB3.82 million will be directed toward the full settlement of two other bank loans carrying an interest rate of 11.8% per annum, both maturing by end of December 2027;
- (iii) approximately 5.1% of the Net Proceeds (representing approximately HK\$3.0 million assuming full subscriptions) for the procurement of raw materials and farming consumables to be fully utilized by the fourth quarter of 2027; and
- (iv) the remaining balance of approximately 18.8% of the Net Proceeds (representing approximately HK\$11.0 million assuming full subscriptions) for general working capital purposes, which comprise staff costs and administrative and recurrent costs (such as audit, legal, regulatory compliance etc.) amounted to around HK\$5.0 million and HK\$4.7 million, respectively, and office rental amounted to around HK\$1.3 million to be fully utilized by 30 June 2027.

The Directors believe that the Rights Issue represents a strategical and commercial opportunity and the Board believes that the aforementioned initiatives will broaden the Group's income streams, secure long-term sustainable growth, and establish a stronger revenue driver for long-term development.

In the event that the Rights Issue is under-subscribed and the Company receives less than the maximum expected net proceeds, the actual net proceeds will be allocated on a prioritized basis. First, up to a maximum of HK\$36.5 million will be deployed toward the Group's core business development, specifically for the procurement of temperature-controlled equipment, advanced cold-chain solutions, raw materials, and farming consumables. Then, actual net proceeds up to approximately HK\$11.0 million will be allocated to satisfy general working capital demands of the Group. Finally, any remaining actual net proceeds will be allocated toward the outstanding indebtedness of the Group.

The Board expects that, should the actual net proceeds received are less than the expected fundraising amount, the scale in the procurement of temperature controlled equipment and cold-chain solutions will be adjusted accordingly. The Group may conduct further negotiations regarding debt financing requests at a more opportune time, such as following the successful

LETTER FROM THE BOARD

rollout and operation of its phase 1 deployment, i.e. first batch of equipment commenced operations, or upon the emergence of more favorable credit market conditions, so that the shortfall can be funded by the Group's internal resources and/or alternative debt and/or equity financing as and when appropriate which the Board considers to be less optimal, as tapping into internal resources would unnecessarily deplete the Group's cash reserves for daily operations. Whereas, alternative debt or equity financing under current volatile market conditions would impose an unnecessary financial burden on the Group and could result in unpredictable delays to its deployment timeline.

As at the Latest Practicable Date, the Company has no intention (initial or concrete) nor does it otherwise foresee the need to undertake any further equity fundraising in the next 12 months, particularly under the assumption that a sizeable amount of Net Proceeds is obtained from this Rights Issue. In the event that the Rights Shares are not fully taken up, the final allocation of funds will be subject to the actual shortfall amount, and the Company will continuously monitor market conditions and its internal liquidity demands to make operational adjustments accordingly. However, in the event that the Rights Issue is not approved by the Shareholders, no proceeds will be available to the Group, and while less optimal as compared to the Rights Issue, the Company is expected to (i) initiate negotiations with its lending banks to secure loan renewals or extensions; (ii) actively explore alternative fundraising channels, including but not limited to, the issue of securities under the general mandate of the Company, debt issuances, or shareholder loans, carefully balancing the cost of capital against the urgency of the Group's liquidity requirements; and (iii) utilise the Group's internal resources.

While the Board will endeavor to maintain baseline working capital and stabilize existing operations through these combined measures, it notes that such alternatives may incur higher financing costs, cause shareholder dilution without pre-emptive rights, or delay the strategic advantages of the rollout of its passive controlled-temperature cabinets.

As at 31 December 2025, the Company recorded cash and cash equivalents of approximately RMB7.6 million, representing a decrease of approximately 20.1% as compared to approximately RMB9.5 million as at 30 June 2025. This downward trend is further compounded by the fact that the Group recorded consecutive net losses of approximately RMB25.6 million and approximately RMB28.4 million, for the two years ended 30 June 2024 and 2025 respectively. Reference is also made to the placing completed by the Company on 19 April 2021, which raised net proceeds of approximately HK\$94.7 million. As at the Latest Practicable Date, there has been no change in the intended use of proceeds as disclosed in the Company's announcement dated 5 January 2024, save for postponing the unutilized HK\$2.0 million to be fully utilized by 31 December 2026 on the potential refurbishment of the Group's land and properties. The Company decision to postpone the utilisation of approximately HK\$2 million originally earmarked for the potential refurbishment of the Group's land and properties was made to allow sufficient time to assess whether such refurbishment should take into account the Group's overall development plan, particularly following the planned adoption of temperature-controlled cabinets in the logistics process. Taking into account this allocated unutilized portion, the Company's immediately available cash and cash equivalents stand at approximately HK\$5.6 million, leaving the Group with minimal financial flexibility. The Directors are of the view that it will become increasingly challenging to the Group's ongoing expansions. Considering that the Group's other current assets have been designated for

LETTER FROM THE BOARD

continuing operations — such as trade receivables and prepayments tied up in the Group's ordinary course of business — the Directors expect that the proceeds from the Rights Issue can provide a financial cushion and liquidity flexibility for the Group, which will support its business development. Failure to capitalize on new fundraising avenues in the Rights Issue would restrict the Group's financial maneuverability and impact its long-term growth prospects.

The Board has considered other alternative means of fund raising, including debt financing, placing and open offer. Prior to resolving to the Rights Issue, the Group sought for debt financing possibilities from two financial institutions. However, the Company has been given to understand that, due to the Group's loss-making position, both financial institutions declined the Group's financing requests and no detailed terms were discussed. The Board considers that raising funds by way of debt financing would compromise the Group's assets flexibility and hinder its development schedule, and debt financing is subject to repayment obligations. It is more favourable for the Group to obtain equity fund raising to expand its business and broaden its income stream than debt financing. The Board notes that debt financing would also result in additional interest burden of the Company and create pressure on its liquidity. As for equity fund raising (such as placing), it will be relatively smaller in scale as compared to fund raising through the Rights Issue, not to mention that placing of shares would lead to dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate. As for open offer, although it is similar to a rights issue in offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market.

In view of the above, the Board considers that as compared to raising fund by other means, raising funds by way of the Rights Issue, which will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company, is fair, cost effective, efficient and beneficial to the Company and its shareholders as a whole. In addition, the Rights Issue provides a good opportunity for the Group to improve its liquidity and strengthen its operating capacity, while offering a participating opportunity to all Qualifying Shareholders in the future development of the Company on equal terms to maintain their shareholding in the Company. Having considered that, the Rights Issue (i) allows the Qualifying Shareholders to maintain their proportional shareholdings in the Company; (ii) allows the Group fulfil its aforementioned needs for financial resources to develop its business and replenish its working capital; and (iii) is more optimal than alternative fundraising solutions as discussed above and there were no favorable results from other financial institutions on its loan requests, the Directors consider that raising capital through the Rights Issue is in the interests of the Company and its shareholders as a whole.

FUND RAISING ACTIVITIES INVOLVING ISSUE OF SECURITIES IN THE PAST 12 MONTHS

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

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS AND THE SGM

The Rights Issue does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

As the Rights Issue will increase the issued share capital of the Company by more than 50%, under Rules 7.19A and 7.27A of the Listing Rules, the Rights Issue is subject to the approval of the Independent Shareholders at the SGM by way of poll at which any controlling shareholders and their respective associates or, where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue. As at the Latest Practicable Date, the Company has no controlling shareholder. Mr. Kung, who is the spouse of Ms. Li Ziyang, an executive Director, is interested in 4,449,485 Shares, representing approximately 29.86% of the issued share capital of the Company. Accordingly, Mr. Kung and his associates will abstain from voting in favour of the relevant resolution(s) of the Rights Issue at the SGM. Mr. James Francis Bittl, the non-executive Director, is the brother-in-law of Ms. Li Ziyang, and as at the Latest Practicable Date, he has no beneficial interest in the Company.

The SGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Rights Issue.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for Mr. Kung, no other Shareholder is required to abstain from voting on the Rights Issue at the SGM.

As at the Latest Practicable Date, save for the Undertaking, the Board has not received any indication from any Shareholders of their intention to take up or not to take up the securities of the Company to be offered to them under the Rights Issue.

Independent Board Committee and the Independent Financial Adviser

The Independent Board Committee comprising the independent non-executive Directors has been established to advise the Independent Shareholders (i) as to whether the terms of the Rights Issue are fair and reasonable and in the interest of the Shareholders as a whole; and (ii) how to vote, taking into account the recommendations of the Independent Financial Adviser.

SBI China Capital Hong Kong Securities Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO, has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue.

LETTER FROM THE BOARD

DESPATCH OF PROSPECTUS DOCUMENT

Subject to the approval of the Rights Issue, the Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on the Posting Date. The Prospectus (without the PAL) and a letter to the Non-Qualifying Shareholders (if any) explaining the circumstances in which they are not permitted to participate in the Rights Issue will be despatched to the Non-Qualifying Shareholders (if any) for their information only also on the Posting Date.

RECOMMENDATION

The Independent Board Committee, which comprises all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue, are fair and reasonable and in the interests of the Company and the Shareholders as a whole and to make recommendations to the Independent Shareholders on how to vote at the SGM. SBI China Capital Hong Kong Securities Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

Your attention is drawn to the letter from the Independent Board Committee which contains its recommendation to the Independent Shareholders in relation to the Rights Issue and the letter from the Independent Financial Adviser which contains its advice to the Independent Board Committee and the Independent Shareholders.

The Directors consider that the terms of the Rights Issue are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM.

ADDITIONAL INFORMATION

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

By order of the Board
Asian Citrus Holdings Limited
Li Ziyang
Chairman



ASIAN CITRUS HOLDINGS LIMITED

亞洲果業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 73)

17 July 2026

To the Independent Shareholders

Dear Sir or Madam,

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
THREE (3) RIGHTS SHARES FOR EVERY ONE
(1) EXISTING SHARE HELD ON THE RECORD DATE
ON A NON-UNDERWRITTEN BASIS**

We refer to the circular of the Company dated 17 July 2026 (the “**Circular**”) of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders (i) as to whether the terms of the Rights Issue are fair and reasonable and in the interest of the Shareholders as a whole; and (ii) how to vote, taking into account the recommendations of the Independent Financial Adviser

The Independent Financial Adviser has been appointed as the independent financial adviser to advise us and the Independent Shareholders in this respect. Having taken into account the terms of the Rights Issue, and the advice from the Independent Financial Adviser, we are of the opinion that the terms of the Rights Issue are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend you to vote in favour of the resolution to be proposed at the SGM to approve the Rights Issue.

Yours faithfully,
The Independent Board Committee

Mr. Liu Ruiqiang
*Independent non-executive
Director*

Mr. Wang Tianshi
*Independent non-executive
Director*

Mr. Zhuang Canbin
*Independent non-executive
Director*

* For identification purposes only

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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

 **軟庫中華 SBI China**

17 July 2026

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

Dear Sir or Madam,

PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 17 July 2026 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

The Rights Issue and the Undertaking

On 15 June 2026, the Board proposed to implement the Rights Issue on the basis of three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date at the Subscription Price of HK\$1.38 per Rights Share, to raise up to approximately HK\$61.7 million before costs and expenses, by way of issuing up to 44,701,587 Rights Shares (assuming there is no change in the total number of issued Shares from the Latest Practicable Date up to and including the Record Date). The maximum Net Proceeds from the Rights Issue is expected to be approximately HK\$58.5 million. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to Non-Qualifying Shareholders. There will be no excess application arrangement in relation to the Rights Issue. As at the Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants, which confer any right to subscribe for, or convert into, or exchange for Shares. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully subscribed, any Unsubscribed Rights Shares and the NQS Unsold Rights Shares will be placed to independent placees on a best effort basis by the Placing Agent under the Compensatory Arrangements.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Any Unsubscribed Rights Shares and NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

As at the Latest Practicable Date, Mr. Kung is beneficially interested in 4,449,485 Shares (representing approximately 29.86% of the issued Shares). Mr. Kung has irrevocably and unconditionally undertaken to the Company that (i) he will not dispose of any of the 4,449,485 Shares comprising the current shareholding in the Company owned by himself, and such Shares will remain beneficially owned by him up to and including the Record Date; (ii) he will lodge his acceptance of the 13,348,455 Rights Shares, which will be the number of Rights Shares provisionally allotted to him in nil-paid form under the Rights Issue, with the Registrar or the Company, with payment in full therefor, by no later than the Latest Time for Acceptance or otherwise in accordance with the instructions set out in the Prospectus Documents; and (iii) in the event of an under-subscription of the Rights Shares, the Company has the power and authority to scale down his assured entitlement under the Rights Issue to a level which does not trigger an obligation to make a general offer under the Takeovers Code (the “**Scale Down**”) immediately after completion of the Rights Issue. The Scale Down will be applied pursuant to the note of Rule 7.19(5)(b) of the Listing Rules, when the rights issue is not fully underwritten and on the basis that if the issue is not fully taken up, the application of the Shareholder for his/her/its assured entitlement under the Rights Issue can be scaled down to a level that does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code.

As the Rights Issue will increase the issued share capital of the Company by more than 50%, under Rules 7.19A and 7.27A of the Listing Rules, the Rights Issue is subject to the approval of the Independent Shareholders at the SGM by way of poll at which any controlling shareholders and their respective associates or, where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue. As at the Latest Practicable Date, the Company has no controlling shareholder. Mr. Kung, who is the spouse of Ms. Li Ziyang, an executive Director of the Company, is interested in 4,449,485 Shares, representing approximately 29.86% of the issued share capital of the Company. Accordingly, Mr. Kung shall abstain from voting in favour of the relevant resolution(s) of the Rights Issue at the SGM. Mr. James Francis Bittl, the non-executive Director, is the brother-in-law of Ms. Li Ziyang, and as at the Latest Practicable Date, he has no beneficial interest in the Company.

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders; (i) as to whether the terms of the Rights Issue are fair and reasonable and in the interests of the Shareholders as a whole; and (ii) how to vote on the resolution(s) relating to the Rights Issue.

In our capacity as the independent financial adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion as to (i) whether the terms of the Rights Issue are fair and reasonable so far as the Independent Shareholders are concerned; and whether they are in the interests of the Shareholders and the Company as a whole; and (ii) how the Independent Shareholders should vote in respect of the resolution(s)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

relating to the Rights Issue. Our appointment as the independent financial adviser to advise the Independent Board Committee in respect of the Rights Issue has been approved by the Independent Board Committee.

During the past two years, we did not have any relationship with or interest in the Company or any other parties that could reasonably be regarded as relevant to our independence. Apart from normal professional fees payable to us in connection with this engagement, no arrangement exists whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent from the Company pursuant to Rule 13.84 of the Listing Rules.

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

We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our opinion. We have not, however, conducted any independent investigation into the business and affairs or the future prospects of the Group, nor have we carried out any independent verification of the information provided by the management of the Group.

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

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

(1) Background information of the Company

The Company is an investment holding company and the Group is principally engaged in (i) the planting, cultivation and sales of agricultural produce in the PRC (the “**Plantation Business**”) ; (ii) the distribution of fruits in the PRC (the “**Fruit Distribution Business**”) ; (iii) the distribution and installation of air-conditioners in the PRC; and (iv) the sales and distribution of consumables and other products.

Financial performance

The following table summarises the financial performance of the Group for the two financial years ended 30 June 2024 and 2025 as extracted from the annual report of the Company for the financial year ended 30 June 2025 (the “**2024/25 Annual Report**”); and for the six months ended 31 December 2025 (together with the corresponding period ended 31 December 2024) as extracted from the interim report of the Company for the six months ended 31 December 2025 (the “**2025/26 Interim Report**”), respectively.

	For the six months ended 31 December		For the year ended 30 June	
	2025	2024	2025	2024
	(“1H2025/26”)	(“1H2024/25”)	(“FY2024/25”)	(“FY2023/24”)
	(<i>unaudited</i>)	(<i>unaudited</i>)	(<i>audited</i>)	(<i>audited</i>)
	RMB’000	RMB’000	RMB’000	RMB’000
Revenue	41,021	36,778	75,420	168,635
— <i>Plantation Business</i>	583	1,595	1,595	1,321
— <i>Fruit Distribution Business</i>	16,807	7,922	28,706	106,507
— <i>Air-conditioners distribution business</i>	23,017	26,905	42,267	60,807
— <i>Sales and distribution of consumables and other business</i>	614	356	1,530	—
— <i>Others</i>	—	—	1,322	—
Loss for the period/year	(9,297)	(17,825)	(28,442)	(25,608)
Loss for the period/year attributable to owners of the Company	(9,354)	(14,476)	(24,006)	(25,608)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For the six months ended 31 December 2025

Revenue amounted to approximately RMB41.0 million for 1H2025/26, representing an increase of approximately 11.5% from approximately RMB36.8 million for 1H2024/25.

Revenue from the Plantation Business decreased from approximately RMB1.6 million for 1H2024/25 to approximately RMB0.6 million for 1H2025/26. The decline in revenue was mainly due to severe weather condition at the Group's Hepu Plantation located in Guangxi, the PRC, including abnormal pouring rain and typhoons, resulting in a negative impact on harvest quality and quantity.

Revenue from the Fruit Distribution Business increased from approximately RMB7.9 million for 1H2024/25 to approximately RMB16.8 million for 1H2025/26. For 1H2025/26, the Group broadened its fruit selection by adding new fruits, including but not limited to watermelon, grapes, etc., exerting a significant positive impact on the income stream.

Revenue from the air-conditioners distribution business decreased from approximately RMB26.9 million for 1H2024/25 to approximately RMB23.0 million for 1H2025/26 because of lower demand for electrical appliances as customers of the Group were smaller-scale physical stores that may not benefit from the local government's energy-efficient and smart home appliances subsidy programs.

The Group commenced the sales and distribution of consumables and others business for FY2024/25. The core business activity of this segment is the sales and distribution of consumables under business-to-business (“**B2B**”) and business-to-customer (B2C) business models through e-commerce or offline channels. Major products include herbal-related wellness consumables/products, such as mugwort cushion, steam eye masks, mugwort hammer and herbal foot spa pad. Revenue from sales and distribution of consumables and others business was approximately RMB0.4 million and RMB0.6 million for 1H2024/25 and 1H2025/26, respectively.

The loss for the period attributable to the owners of the Company decreased by approximately 35.4% from approximately RMB14.5 million for 1H2024/25 to approximately RMB9.4 million for 1H2025/26.

For the year ended 30 June 2025

Revenue amounted to approximately RMB75.4 million for FY2024/25, representing a decrease of approximately 55.3% from approximately RMB168.6 million for FY2023/24.

Revenue from the Plantation Business increased from approximately RMB1.3 million for FY2023/24 to approximately RMB1.6 million for FY2024/25. During the year, owing to the Group testifying and seeking for the appropriate cultivation method, including but not limited to the adjustment of seeding, growing period with a reduced farmland size, there was decline in the quantity of harvest crop. However, benefited by the improvement in the quality of the harvested passion fruits, the higher selling price offset the effect brought by the decline in the quantity of harvest crop.

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Revenue from the Fruit Distribution Business decreased from approximately RMB106.5 million for FY2023/24 to approximately RMB28.7 million for FY2024/25. The decrease in revenue was due to the strategic change in product mix and adjustment in the Group's business strategy in terms of product mix with the purpose to maintain competitiveness in the market, whereby the Group focused on fruits with reasonable margins. For FY2023/24, not less than 80% of revenue was derived from blueberries and pears, and less than 20% of revenue was derived from winter jujube. However, for FY2024/25, taking into account the results of assessment that there would be a risk of loss for blueberries and pears because of the increase in supply in the market and the decrease in quality, the management of the Company has decided not to enter the market for these two fruits and sought other quality fruits in the market. Therefore, there was a decrease in revenue for FY2024/25.

Revenue from the air-conditioners distribution business decreased from approximately RMB60.8 million to approximately RMB42.3 million because of lower demand for electrical appliances as customers of the Group were smaller-scale physical stores which may not benefit from the local government's energy-efficient and smart home appliances subsidy programs.

For 2024/25, the Group commenced the sales and distribution of consumables and others business and recorded revenue from such segment of approximately RMB1.5 million.

Loss for the year attributable to the owners of the Company decreased by approximately 6.3% from approximately RMB25.6 million for FY2023/24 to approximately RMB24.0 million for FY2024/25.

Financial position

	As at 31 December 2025 (unaudited) RMB'000	As at 30 June 2025 (audited) RMB'000	As at 30 June 2024 (audited) RMB'000
Non-current assets	66,247	68,180	71,730
— <i>Intangible assets</i>	2,239	—	—
Current assets	58,343	76,444	88,338
— <i>Inventories</i>	6,357	16,261	8,210
— <i>Cryptocurrencies</i>	5,358	6,168	—
— <i>Trade and other receivables</i>	12,328	19,372	9,631
— <i>Prepayments</i>	23,689	14,908	20,927
— <i>Financial assets at fair value through profit or loss</i>	2,397	6,546	28,891
— <i>Cash and cash equivalents</i>	7,561	9,462	16,804
Total assets	124,590	144,624	160,068

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	As at 31 December 2025 (unaudited) RMB'000	As at 30 June 2025 (audited) RMB'000	As at 30 June 2024 (audited) RMB'000
Current liabilities	19,744	32,458	17,478
— Trade and other payables	8,618	20,116	5,355
— Lease liabilities	138	135	767
— Bank borrowings	8,732	9,351	9,576
— Other borrowings	805	1,337	1,000
Non-current liabilities	3,494	1,314	5,609
— Lease liabilities	1,126	1,196	4,209
— Bank borrowings	2,368	84	1,400
— Other borrowings	—	34	—
Total liabilities	23,238	33,772	23,087
Net assets	101,352	110,852	136,981

Comparison between 31 December 2025 and 30 June 2025

Total assets decreased from approximately RMB144.6 million as at 30 June 2025 to approximately RMB124.6 million as at 31 December 2025. Such decrease was mainly attributable to (i) a decrease in inventories of approximately RMB9.9 million; (ii) a decrease in trade and other receivables of approximately RMB7.0 million; and (iii) a decrease in financial assets at fair value through profit or loss of approximately RMB4.1 million; which was partially offset by (i) an increase in prepayments of approximately RMB8.8 million and (ii) an increase in intangible assets of approximately RMB2.2 million. Cash and cash equivalents decreased from approximately RMB9.5 million as at 30 June 2025 to approximately RMB7.6 million as at 31 December 2025.

Total liabilities decreased from approximately RMB33.8 million as at 30 June 2025 to approximately RMB23.2 million as at 31 December 2025. Such decrease was mainly attributable to a decrease in trade and other payables of approximately RMB11.5 million, which was partially offset by an increase in bank and other borrowings of approximately RMB1.1 million.

The current assets as at 31 December 2025 was approximately RMB58.34 million, in which there were trade and other receivables of approximately RMB12.33 million, prepayments of approximately RMB23.69 million, inventory of approximately RMB6.36 million and cryptocurrencies of approximately RMB5.36 million. These current assets items amounted to RMB47.74 million and accounted for around 82% of the current assets. The trade and other receivables will provide cash inflow to the Group in the ordinary course of business. The Group generally granted a credit period of 30 day to customers for sale of fruit. The prepayments represent mainly the prepayment to the suppliers for the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

procurement of inventories and consultation fee, which under normal condition will not be returned to the Group in the form of cash. The cryptocurrencies held by the Group as at 31 December 2025 had a market value of approximately RMB5.36 million, which could provide immediate cash to the Group if realised, subject to the Group's assessment of the prevailing returns and its cash requirements.

On the other hand, the current liabilities are approximately RMB19.74 million, comprise mainly trade and other payables of approximately RMB8.62 million and bank borrowings of approximately RMB8.73 million. Accordingly, a substantial portion of the Group's financial resources is tied up in working capital to support its business operations.

For illustration purpose, as at 31 December 2025, the cash and cash equivalents, cryptocurrencies and financial assets at fair value through profit and loss, which are considered as liquid assets (of approximately RMB7.56 million, RMB5.36 million and RMB2.40 million respectively), in aggregate amounted to approximately RMB15.32 million; while the bank and other borrowings in aggregate amounted to approximately RMB11.91 million. Included in the cash and cash equivalents is HK\$2.0 million (equivalent to approximately RMB1.8 million) which has been designated for the potential refurbishment of the Group's land and properties. Should the Group utilises the liquid assets to settle the bank and other borrowings and taking into account of the HK\$2.0 million allocated to potential refurbishment of the Group's land and properties, the remaining liquid assets of the Group would be approximately RMB1.6 million, resulting the Group with limited liquidity.

Comparison between 30 June 2025 and 30 June 2024

Total assets decreased from approximately RMB160.1 million as at 30 June 2024 to approximately RMB144.6 million as at 30 June 2025. Such decrease was primarily attributable to (i) a decrease in financial assets at fair value through profit or loss of approximately RMB22.3 million, which was mainly resulted from a disposal (net of addition) of equity securities listed in the United States and unlisted notes of approximately RMB25.5 million; and (ii) a decrease in prepayments of approximately RMB6.0 million, which was partially offset by (i) an increase in trade and other receivables of approximately RMB9.7 million and (ii) an increase in inventories of approximately RMB8.1 million. Cash and cash equivalents decreased from approximately RMB16.8 million as at 30 June 2024 to approximately RMB9.5 million as at 30 June 2025.

Total liabilities increased from approximately RMB23.1 million as at 30 June 2024 to approximately RMB33.8 million as at 30 June 2025. Such increase was mainly attributable to increase in trade and other payables of approximately RMB14.7 million, which is partially offset by decrease in lease liabilities of approximately RMB3.6 million.

(2) Reasons for the Rights Issue and use of proceeds

Assuming full subscription under the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date to the Record Date), the gross proceeds from the Rights Issue will be approximately HK\$61.7 million and the estimated Net Proceeds will be approximately HK\$58.5 million. In the event that the Rights Issue is under-subscribed and the Company receives less than the maximum expected net proceeds, the actual net proceeds will be allocated on a prioritized basis. First, up to a maximum of HK\$36.5 million will be deployed toward the Group's core business development, specifically for the procurement of temperature-controlled equipment, advanced cold-chain solutions, raw materials, and farming consumables. Then, actual net proceeds of up to HK\$11.0 million will be allocated to satisfy general working capital demands of the Group. Finally, any remaining actual net proceeds will be allocated towards the outstanding indebtedness of the Group.

The Board expects that, should the actual Net Proceeds received are less than the expected fundraising amount, the scale in the procurement of Equipment will be adjusted accordingly. The Group may conduct further negotiations regarding debt financing requests at a more opportune time, such as following the successful rollout and operation of its phase 1 deployment, i.e. first batch of equipment commenced operations or upon the emergence of more favorable credit market conditions, so that, the shortfall can be funded by the Group's internal resources and/or alternative debt and/or equity financing as and when appropriate which the Board considers to be less optimal, as tapping into internal resources would unnecessarily deplete the Group's cash reserves for daily operations. Whereas, alternative debt or equity financing under current volatile market conditions would impose an unnecessary financial burden on the Group and could result in unpredictable delays to its deployment timeline.

In evaluating whether the proposed application of the Net Proceeds is fair and reasonable, we have examined each category of the intended use of fund, considering its priority, necessity and alignment with the Group's business needs.

a) Procurement of raw materials and farming consumables, temperature controlled equipment and cold-chain solutions

Depending on the level of Rights Issue to be issued, the Group intends that (i) approximately HK\$3.0 million of the Net Proceeds will be applied towards procurement of raw materials and farming and consumables, which is expected to be fully utilized by the fourth quarter of 2027; and (ii) approximately HK\$33.5 million will be applied for its business plan to improve its operation efficiency through the procurement of temperature controlled equipment and cold-chain solutions in passive cold storage cabinets and their relevant operational assets and supporting equipment (the “**Equipment**”) as well as for associated maintenance, insurance and staff training regarding their operations to enhance the value chain and post-harvest management, in particular on the Group's Plantation Business.

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Existing Business

The Group's Plantation Business is carried out at Hepu Plantation located in Guangxi, the PRC. The Plantation Business primarily operates under a B2B business model. The customers of the Plantation Business are primarily fruit distributors and fruit retailers. The agricultural produce of the Group is primarily passion fruits. This business is subject to unforeseeable circumstances, including but not limited to bad weather condition. The Plantation Business has been running losses in the past due to severe weather. With the aim to improve the Plantation Business's competitiveness, based on the results of internal feasibility study, the Group has been exploring different categories of fruits for the Plantation Business. The Group aims to improve the crop yield and quality over time through fruit type selection, internally developed and adopted better-suited agriculture methodologies, in order to enhance competitiveness of its Plantation Business. As mentioned in the 2025/26 Interim Report, the Group has identified crispy honey kumquats as the pilot product for product diversification purposes. As advised by the Group's management, the Group plans to allocate a portion of the Net Proceeds to the procurement of raw materials and farming consumables to support the cultivation of this new product line. Given the nature of the Plantation Business, the crop yield of the crispy honey kumquats might need to take a few seasons before the contribution of crispy honey kumquats becomes meaningful to the Plantation Business. The Group anticipates that the first harvest will take place at around late 2027–2028 and will contribute to an increase in revenue source of this Plantation Business.

For the Fruit Distribution Business, the Group mainly sources various fruits directly from its suppliers, including fruit distributors and farmers and distribute to its customers, including fruit distributors and fruit retailers, whom the Group has built a strong relationship with. Principal products of the Fruit Distribution Business varied years from years depending on the then market conditions, including but not limited to, market demand, quality as well as profitability.

Operation challenges

As discussed in the previous section, revenue from the Plantation Business decreased for FY2024/25 due to severe weather condition at the Group's Hepu Plantation located in Guangxi, the PRC, including abnormal pouring rain and typhoons, resulting in a negative impact on harvest quality and quantity. As advised by the management of the Company, the success of the Plantation Business and Fruit Distribution Business rely on a number of factors, including but not limited to climate and environmental risks, market and price volatility and operation efficiency.

The Plantation Business and the Fruit Distribution Business are subject to various persistent operational constraints. Such constraints, including but not limited to seasonal quality fluctuations, significant market price volatility, and limited capability of logistical and infrastructure, collectively give rise to challenges in quality control, cost management, and pricing power that consequently place pressure on the Group's profitability.

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The traditional refrigerated units typically utilized in the Fruit Distribution Business of which the Group operates expose to quality risks throughout the logistics chain. Inconsistent fruit quality, often resulting from multiple loading and unloading cycles, temperature interruptions, and moisture fluctuations, directly undermines the reliability and trust that long-term customers place in the Group. This not only strains customer relationships but also weakens the Group's price bargaining power with both suppliers and customers, leaving limited room for profitability.

Furthermore, as a distributor, the Group exercises limited control over quality assurance during transit, and this challenge is compounded by the increasing frequency of extreme weather events. At the same time, major retail chains are placing greater emphasis on food safety standards. These risks become particularly acute for shipments that require stricter temperature consistency, involve longer delivery distances, or occur during peak summer and winter temperature extremes.

In response, the Group has adopted a prudent risk management approach, choosing not to pursue opportunities where profit margins are low or risk levels are elevated. While this strategy safeguards its current reputation and financial stability, it also significantly restricts the growth potential of the Fruit Distribution Business — both in terms of transaction volume and the range of fruit varieties it can viably handle.

To insulate its business models against the inherent operational vulnerabilities, the Group intends to optimize and improve its existing operations, logistics and post-harvest management arrangements through the procurement and phased deployment of the Equipment as described below.

- (i) In respect of the Plantation Business — upon harvest, fresh produce will be immediately transitioned into the cabinets at localized fulfillment centers. Unlike traditional refrigerated units whose forced-air fans accelerate moisture loss and rapid decay, these cabinets utilize a fan-less, passive cooling design that releases cooling evenly. This creates a constant temperature and high-humidity environment that halts the natural ripening process immediately post-harvest. This extended preservation lifecycle grants the Group the strategic leverage to cultivate and store anti-seasonal fruits and time-lagged agricultural produces. Instead of being forced into fire-sales during peak harvest gluts, the Group can optimize its logistical distribution timelines and command premium, stable wholesale prices with institutional B2B buyers and potentially drive-up profit margins.
- (ii) In respect of the Fruit Distribution Business — functioning interchangeably as freshness boxes, intermodal shipping containers and mobile cold storages, these cabinets will be utilized to seamlessly facilitate multi-modal transport directly from third-party orchards to the final destination without the need to unload the cargo. Logistic management will be notably improved as the Group can implement a seamless, containerized journey where cargo is never unloaded. For high-value,

delicate tropical fruits, maintaining an entirely unbroken cold chain across land, sea and transshipment hubs can drastically minimize the potential cargo damage and product loss, reducing the estimated loss rate to under 5%. By leveraging the advanced capabilities of the new passive cold storage solutions — specifically the ability to maintain premium fruit quality over extended transit distances and ensure a completely unbroken cold chain — the Group is well-positioned to significantly diversify and expand its customer base. This technological upgrade unlocks the capacity to reliably service high-end retail chains, e-commerce platforms, and tier-one regional wholesalers across a wider geographical footprint in the PRC, thereby driving transaction volumes and attracting institutional buyers who demand the highest standards of fresh product preservation.

The specification of the Equipment

The Group's business plan for improving its existing Plantation Business and Fruit Distribution Businesses relies on a highly flexible, non-capital-intensive deployment matrix. Rather than investing heavily in traditional, fixed brick-and-mortar cold storage facilities — which incur extensive construction timelines and rigid civil infrastructure costs — the Group plans to adopt advanced, new-energy passive cold storage solutions and benefit from equipment versatility.

The Equipment that the Company identifies and intends to procure are designed for both heating and cooling functionalities. The Equipment utilising innovative technologies and advanced materials, when integrated with photovoltaic (solar) systems under most climatic conditions, the passive controlled-temperature cabinets require no external energy sources during vehicle transit, enabling year round, constant-temperature refrigeration. Thus, they can safeguard agricultural produce throughout the supply chain, from harvest to distribution, against both immediate post-harvest heat and unexpected winter frosts in different seasons.

The interior of the Equipment employs a windless (static) cooling architecture, which can extend the shelf-life of fruits and vegetables multiple times over, preventing the loss of moisture and nutrients, thereby enabling counter-seasonal storage and sales and reducing the risk of spoilage and wastage. The cabinets can be dynamically deployed or relocated based on harvest seasonal demand. The deployment of the Equipment will comprise multi-specification passive cold storage boxes and cabinets (including micro, standard, and large-scale mobile passive units). Mechanically, the cabinets feature a passive, energy-storing architecture that maintains targeted temperatures for 12 to 24 hours without power grid connectivity and provides fully adjustable temperature parameters ranging from -10°C to 20°C (and below -18°C). This allows the Group to flexibly shift its storage assets according to seasonal demands and safely deploy battery-swapping supply points in remote production regions, insulating operations against localized power grid blackouts.

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These cabinets can serve as independent storage units, thereby reducing additional storage fees. The cabinets are estimated to have useful life up to 20 years.

The benefits about the Equipment

As set out in the Letter from the Board, to the best knowledge of the Directors, the Equipment carries the following advantages over traditional/existing cabinets:

- (i) Grid-independent and photovoltaic charged
- (ii) Notably longer storage time with substantially lower spoilage rate
- (iii) Remote monitoring and windless uniform temperature-controlling technology
- (iv) Enable anti-seasonal sales
- (v) Significantly lower energy consumption which results in reduced energy costs in logistics arrangements

In the highly competitive fresh produce market in the PRC, these technological benefits are considered commercially vital to the sustainable operation of both Fruit Distribution Business and Plantation Business, as they not only enhance the Group's profitability in the near term, but also safeguard against future operational uncertainties. The Board expects that the potential strategic and financial advantages of this technological rollout could materially enhance the Group's profitability and capital efficiency. The Board is of the view that the deployment of the Equipment will effectively address the operational constraints currently faced by the Plantation Business and the Fruit Distribution Business. The benefits to be yield from the procurement of Equipment has been discussed in the Letter from the Board. We would like to briefly summarise the major benefits as follows:

- (i) Improvement in logistical efficiency and increase operational competitiveness
 - Traditional supply chains are plagued by severe product degradation, which erode profit margins and restrict market access. The Group's intended transition to this grid-independent, intermodal passive cooling infrastructure represents an essential strategic imperative to protect its biological assets, secure supply consistency, and defend its bottom line against rising costs.
 - The Group can secure vital first-mover advantages within the regional agricultural and fruit sector. Establishing an early-stage, technologically superior logistics and storage network allow the Group to set new industry benchmarks for quality and freshness, lock

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in long-term supply partnerships with remote premium growers, and capture market share from traditional competitors before such advanced solutions become widely adopted across the industry.

- With superior quality preservation, the Equipment significantly reduces spoilage, extended shelf life, and the ability to serve off-season and distant markets, thus enabling the Group to access a wider range of products and to differentiate itself from traditional fruit distributors, making it harder for competitors to match and allowing the Group to become significantly more competitive in the market.

(ii) Reduction in cost/loss and improve the profit margin

- The deployment of the Equipment will deliver improvements in quality control and operational efficiency, including extension of the shelf life of chilled food and perishable products and significantly reduce the risk in spoilage and wastage rates.
- The entirely unbroken cold chain across land, sea and transshipment hubs can drastically minimize the potential cargo damage and product loss, maintain premium fruit quality over extended transit distances.
- Passive controlled-temperature cabinets remove the requirement for backup generators and ice-making/heating equipment, thereby saving on fuel expenses and manual labour costs.
- Reduction in the manual labour costs traditionally associated with sorting, clearing and destroying rotten fruit, thereby streamlining overall operating expenditures and enhancing administrative efficiency.
- Electricity savings through the use of photovoltaic energy.

(iii) Better pricing and improve the profit margin

- The Equipment allows the Group to enhance its quality management, it potentially positions the Group away from traditional, volume-dependent harvest windows toward a highly controlled, post-harvest ecosystem. This extended preservation lifecycle grants the Group the strategic leverage to cultivate and store anti-seasonal fruits and time-lagged agricultural produces. It eliminates immediate fire-sale pressures during peak crop gluts, and unlocks highly profitable anti-seasonal and time-lagged sales strategies.

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(iv) Expand its supplier network

- The enhanced capability from the Equipment allows the Group to secure contracts with farmers and fruit distributors and to expand its supplier network to include remote premium growing regions.
- The Group can engage with a larger number of suppliers and secure higher purchase volumes from them to enrich and diversify the Group's supplier base and strengthen its bargaining power during negotiations.

(v) More products mix, wider customer base and transaction volumes

- The Group can now offer a significantly wider selection of fruits covering a broader matrix of products, this enables the Group to meet a broader range of customer demands that it previously could not fulfil.
- The passive temperature-controlled cabinets offer a stable, heated baseline against frost damage during cross-provincial transit into freezing climates. The advanced insulation and thermal-regulation capabilities of the passive temperature-controlled cabinets may enable the Group to capture market opportunities for winter agricultural products.
- The enhanced capability in catering different weather condition will enable the Group to serve a wider geographical footprint in PRC.
- And to capture high-end retailers and regional wholesale platforms that mandate continuous temperature preservation.

Please refer to the Letter from the Board for a comprehensive quantitative and qualitative analysis of the operational constraints encountered by the Group in its traditional cold storage facilities, as well as the anticipated operational improvements from the deployment of the Equipment under its business plan.

The Directors believe that the Rights Issue represents a strategical and commercial opportunity and the Board believes that the aforementioned initiatives will broaden the Group's income streams, secure long-term sustainable growth, and establish a stronger revenue driver for long-term development.

Expected time line

As set out in the Letter from the Board, the Company expects to deploy the Equipment in phases, prioritizing an initial rollout across the Shaanxi and Guangxi areas to capitalize on temperature fluctuations during seasonal transitions, specifically utilizing the cooling capabilities during peak summer temperatures and ensuring temperature maintenance during the winter seasons, to ensure optimal

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product preservation. It is expected to utilize around HK\$20.0 million during the period from September to December 2026 (approximately HK\$4.79 million per month). The first delivery of the Equipment is expected to take place in January to February 2027. Subsequently, the Group intends to expand its footprint into other regions in the PRC, with an emphasis on the Yunnan, Guizhou and Sichuan regions, and the pace of the remaining rollout will be dependent upon market demand and the operational results of the Group's cultivation, sales, and distribution activities in the next one to two years.

As set out in the Letter from the Board, the Board intends that the short-to-medium execution cycle spans from September 2026 to December 2027, with equipment procurement schedules carefully calibrated to align with sequential geographical expansion priorities to Sichuan and Yunnan and subsequently to Guizhou. The Group has engaged in advanced negotiations with the equipment manufacturers, finalized operational deployment strategies, and near-finalized the underlying purchase orders. Concurrently, the Group has engaged in targeted outreach and commenced outreach and initiated advanced commercial discussions with a selective pool of reliable potential customers and suppliers to pre-market its new cold-chain capabilities, while to preserve the Group's first-mover advantage and prevent any premature leakage of its proprietary operational strategies. Accordingly, upon receiving the Net Proceeds from the Rights Issue, the Group is fully prepared to execute immediate deployment by confirming these near-finalized purchase orders without delay.

As set out in the Letter from the Board, the Group has entered into two non-legally binding memoranda of understanding with two parties in June 2026, they are (i) business partner in fruit distribution ("**Party A**") who has been engaged in various supply chain services, including agricultural products and fruit wholesaling, with years of operations primarily in the Guangxi and Guizhou provinces; and (ii) another business partner ("**Party B**") who is also committed to supply chain services, including agricultural products and fruit wholesaling, and has been involved in the wholesaling of durian, cherries, mangoes, lychees, bayberries, and other fruits. The Company is expected (i) to source its fruits and products through a combination of harvesting from its own plantations, its established fruit supplier network under the Fruit Distribution Business, and other reliable suppliers in the PRC; and (ii) leverage its existing customer and supplier relationships to partner with enterprises that operate their own planting bases. These strategic partners will provide access to their upstream orchards and planting farms, further enhancing the Company's sourcing capabilities and stability. Backed by its extensive experience in the Fruit Distribution Business, the Company is well-positioned to secure a stable and sufficient supply of high-quality fruits to meet its customers' needs.

The parties have agreed that each of them will adopt the Group's passive temperature-controlled cabinets across their entire product supply chains, with the aim of reducing losses through single-loading/unloading operations and generating additional revenue by improving temperature retention and freshness preservation. A certain number of cabinets (to be mutually agreed) will first be deployed for a trial

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cooperation phase. Both parties have further agreed that formal cooperation will officially commence after the Group completes its financing, following which binding formal cooperation agreements will be entered into. Should the trial cooperation proceed smoothly, (i) Party A and its partners, who have access to up to 11,000 tonnes of annual production resources from origin areas, have expressed interest in working more closely with the Group to jointly develop businesses in Guangxi, Guizhou, and other regions; and (ii) Party B and its partners, who have access to up to 10,000 tonnes of annual production resources from origin areas, have expressed interest in working more closely with the Group to jointly develop businesses in Yunnan, Sichuan, and other regions. However, due to uncertainties surrounding harvesting schedules and supply cycle instabilities, the parties are currently unable to enter into legally binding definitive written contracts.

Please refer to the Letter from the Board for a detailed definitive milestones for procurement, delivery, rollout phases, and the commencement of revenue-generating operations estimated by the management of the Company.

As set out in the Letter from the Board, among other, (i) the procurement of customized passive cold storage units will directly facilitate the Group's plan, where immediate capital deployment is vital to capturing harvest and distribution windows; (ii) any deferral of the fundraising exercise would cause the Group to entirely miss this late-2026 market window, consequently disrupting the sequential deployment timeline mapped out for the target provinces in early 2027; and (iii) the Group has an urgent commercial need to deploy origin pre-cooling hubs and last-mile front hubs at this juncture to preserve fruit quality and minimize wastage, meaning any delay in the Rights Issue would directly translate to loss of revenue, accelerated product degradation, and a failure to capture market share.

We considered that with availability of the funds for procurement of the Equipment, it can help the Group to be more flexibility, more capability and more assurance for it to improve its quality control capability, capture business opportunities arising from the two memoranda of understanding and other opportunities that may arise from time to time.

PRC Policy

According to the 15th Five-Year Plan for Economic and Social Development of the PRC (the “**15th Five-Year Plan**”) published on the website of the government of the PRC on 13 March 2026 (http://big5.www.gov.cn/gate/big5/www.gov.cn/yaowen/liebiao/202603/content_7062633.htm), enhancing comprehensive agricultural production capacity, quality and efficiency is one of the PRC's key policies. Such initiatives include the development of scientific, quality, branded and green agriculture, with an aim to bring agriculture into a modernised and scaled industry. Implementation actions include improvement of commercial breeding system, strengthening of joint breeding research, cultivation of high-yield, high-quality,

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stress-resistant, and widely adaptable new varieties, promotion of good farming field, good variety, good equipment and good method, and cultivate leading agricultural technology enterprises.

With the increase in health awareness fuelled by PRC's national campaign such as Healthy China 2030 (https://www.gov.cn/zhengce/2016-10/25/content_5124174.htm) and nationwide per capita disposable income in the PRC, the demand for fresh and quality fruits in the PRC has increased. It is one of the initiatives in the Healthy China 2030 Outline to formulate and implement a national nutrition plan, conduct in-depth research on the nutritional function evaluation of food (agricultural products and food products), popularise dietary nutrition knowledge, publish dietary guidelines suitable for different population groups, guide residents to form scientific dietary habits, and promote the construction of a healthy food culture. According to an article titled "Healthy diet" published on the website of World Health Organization (<https://www.who.int/news-room/fact-sheets/detail/healthy-diet>), many people do not eat enough fruit and vegetables or consume sufficient dietary fibre. It is expected that the increase in health awareness would increase fruit consumption in the PRC. Fresh produce, such as fresh fruits in the Group's Plantation Business and Fruit Distribution Business, rely on cold chain and constant temperature warehouse and logistics facilities to preserve freshness and prevent spoilage during the delivery process.

Our assessment

We have enquired with the management of the Company and reviewed the business plans and capital expenditure for the procurement of Equipment, including the basis for the amount of Equipment to be procured, the quotations of those equipment with comparable functionality, and other operational cost estimations, to evaluate and justify the amount needed to procure the Equipment for the business.

As to the cost of the Equipment, we have been provided by the Company with 2 quotations from 2 different suppliers for similar products. As shown in these quotations, the price for the cabinets are RMB206,000 and RMB215,000 (both are inclusive of value add tax, but not transportation fee).

We understand that in deciding the number of Equipment to be procured, the Group takes into account (i) various types of seasonal fruits under the memoranda of understandings; (ii) the number of days of these seasonal fruits in (i) that can be put to the market as estimated by the management of the Company; and (iii) the average weight of fruit typically carried per cabinet, to derive the number of cabinets required to fulfil the total 21,000 tonnes of fruit accessible by the Party A and Party B. Such 120 cabinets represent approximately 65% of the estimated total cabinets to fully fulfil the accessible tonnes of fruits under the cooperation. It should be noted that the final tonnes of fruits to be delivered are still subject to the entering into definitive cooperation agreements.

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For illustration, based on the 120 cabinets at the procurement price of RMB206,000 per cabinet, the total procurement cost of the cabinets will amount to approximately RMB25 million (around HK\$29 million). Such amount accounts for around 87% of the HK\$33.5 million for part of Net Proceeds intend to be applied to the procurement of passive cold storage cabinets and their relevant operational assets and supporting equipment, as well as for associated maintenance, insurance and staff training.

Accordingly, the amount of Net Proceeds to be spent on the procurement is fairly and reasonably derived from the existing expected business operation level under the cooperation set out in the memoranda of understanding, the factual capacity of the Equipment, and the cost of the Equipment.

Considering that:

- (i) the allocation of resources to develop the Plantation Business, the Group's principal activity, aligns with both the Group's long-term overall strategy to strengthen this core business segment and the PRC's latest national development policies supporting agricultural modernization and healthy lifestyle;
- (ii) the improvement in distribution infrastructure through the procurement of the Equipment could enhance product preservation, and provide an unbroken cold chain across land, sea and transshipment hubs to minimize the potential cargo damage and product loss thereby reducing the risk of spoilage and wastage to achieve a higher proportion of sellable yield, better command of pricing and lower operating costs associated with disposal and handling. This could ultimately drive overall revenue growth and improve profit margins;
- (iii) the deployment of these Equipment also allows the Group to maintain premium fruit quality over extended transit distances and ensure a completely unbroken cold chain, thus the Group can source fruit products from remote premium growing regions and deliver its products to farther destinations and extend the marketability of the fresh produce. Thus, this technological upgrade enables the Group to broaden its market access into neighbouring provinces within China, potentially accessing new customer segments and capturing growth opportunities. As set out in the Letter from the Board, the Group looks forward to unlocking the potential of high-end retail chains, e-commerce platforms, and tier-one regional wholesalers across a wider geographical footprint in the PRC;
- (iv) the Group has been running at a loss, and in response, the Company has rolled out a plan to improve operational efficiency through the deployment of the Equipment and to capitalise on the market opportunities in a timely manner. This initiative may support a gradual improvement in profitability over time;

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- (v) the Company's customers, such as large retailers, place increasing emphasis on food safety and are likely to be concerned about cold-chain integrity. A modernized unbroken cold chain could maintain the competitiveness of the Group in the fresh produce market by building trust with its customers, thus upgrade of the facilities is essential to sustaining competitiveness and to avoid displacement, and
- (vi) the amount of funds required for the procurement of Equipment has been fairly determined by the management of the Company with reference to the business operation level of the Fruit Distribution Business,

we concur with the Directors' view that the initiative to use the Net Proceeds for the procurement of raw materials, farming consumables and the Equipment would secure long-term sustainable growth and establish a stronger revenue driver for long-term developments of the Group is fair and reasonable.

We concur with the management of the Company that improving operational efficiency aligns with the Group's developments. Based on management's assessment, the deployment of the Equipment is expected to enhance fruit preservation and minimize wastage, which would gradually stabilize service quality, operational efficiency, and financial performance, thereby achieving the aforementioned objectives.

We consider that the Company has an imminent need for the source of fund vital for the implementation of its business plan. The prompt deployment of the Net Proceeds is essential to ensuring that the Group can seize the market opportunities without delay, so that it can capture the strategic advantage as an early mover to secure a better position to establish its competitiveness, thereby maximising the potential returns from its strategic initiatives and safeguarding the long-term interests of the Company and its Shareholders. The generation of the necessary fund for business plan through internally generated fund and/or debt financing is not feasible as discussed in this letter, accordingly, we consider that the majority of Net Proceeds to be allocated firstly for the procurement of raw materials and farming consumables, temperature controlled equipment and cold-chain solutions is fair and reasonable.

b) Repayment of loans and accrued interest and general working capital purposes

Depending on the level of Rights Issue to be issued, the actual Net Proceeds will first be deployed toward the Group's core business development as set out in (a) above. Then any remaining actual net proceeds of up to approximately HK\$11.0 million will be allocated to satisfy general working capital demands of the Group. Finally, any remaining actual net proceeds will be allocated toward the outstanding indebtedness of the Group.

For the part for repayment of loans and accrued interest, (i) a total of approximately RMB5.27 million will be deployed to fully settle six bank loans carrying interest rates ranging from 3.0% to 11.8% per annum, all of which fall due for repayment between July 2026 and September 2026; (ii) a total of approximately RMB0.63 million will be applied to repay one bank loan carrying an interest rate of 6.9% per annum, which matures in

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January 2027; and (iii) a total allocation of approximately RMB3.82 million will be directed toward the full settlement of two other bank loans carrying an interest rate of 11.8% per annum, both maturing by the end of December 2027. As such, the Net Proceeds reserved for this will be utilized as to 54% in 2026 and the remaining in 2027.

For the part of Net Proceeds will be applied towards supporting the general working capital requirements of the Group, it will comprise staff costs and administrative and recurrent costs (such as audit, legal, regulatory compliance etc.) amounted to around HK\$5.0 million and HK\$4.7 million, respectively, and office rental amounted to around HK\$1.3 million to be fully utilized by 30 June 2027.

As set out in the Letter from the Board, as at 31 December 2025, the Company recorded cash and cash equivalents of approximately RMB7.6 million, representing a decrease of approximately 20.1% as compared to approximately RMB9.5 million as at 30 June 2025. This downward trend is further compounded by the fact that the Group recorded consecutive net losses of approximately RMB25.6 million and approximately RMB28.4 million for the two years ended 30 June 2024 and 2025, respectively. The Company considers that the Company's immediately available cash and cash equivalents leaving the Group with minimal financial flexibility.

Considering that the Group's other current assets have been designated for continuing operations, such as trade receivables and prepayments tied up in the Group's ordinary course of business, as well as certain investments strategically held to avoid premature realization — the Directors expect that the proceeds from the Rights Issue can provide the necessary financial cushion and liquidity flexibility for the Group, which will be essential for supporting its business development. Failure to capitalize on new fundraising avenues in the Rights Issue would further restrict the Group's financial maneuverability and impact its long-term growth prospects.

Our assessment

We have been provided by the Group with the (i) list of the all loan agreements entered into between the Group and the banks and the repayment schedule; (ii) the management account of the Group as at 31 May 2026 and noted that the cash and cash equivalents have decreased from approximately RMB7.6 million as at 31 December 2025 to approximately RMB5 million as at 31 May 2026. Of these RMB5 million, HK\$2.0 million, being the unutilized net proceeds from the placing of Shares completed on 19 April 2021, has been earmarked for potential refurbishment of the Group's land and properties and to be utilized by the 31 December 2026, leaving the useable cash and cash equivalents of approximately RMB3 million only.

We have made reference to the 2024/25 Annual Report and 2025/26 Interim Report which showed that general and other administrative expenses and staff costs were amongst the largest operating cost components of the Group for FY2023/24, FY2024/25 and 1H2025/26. They amounted to approximately RMB29.0 million, RMB33.9 million and RMB10.8 million for the respective year/period. It appeared that the remaining cash and cash equivalents, after excluding the amount earmarked for the potential refurbishment of the Group's land and properties, of just

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approximately RMB3 million as at 31 May 2026 might not be sufficient to support the daily business operation of the Group with reference to the amount of general and other administrative expenses and staff costs for a 6-month period (of approximately RMB10.8 million for 1H2025/26), and the repayments of loans without obtaining additional financial resources.

Considering (i) the Group's current available cash and cash equivalents is reduced to a low level of approximately RMB3 million as at 31 May 2026 as set out above, which is the result of, among other, the continuous losses of the Group and the tied up of other current financial resources as prepayment and trade receivables in the Group's ordinary and usual course of business as discussed in the above section, (ii) where the Group utilises the liquid assets (such as cash, cryptocurrencies and financial assets at fair value through profit and loss) to settle the bank and other borrowings, it would result in the Group with limited liquidity; (iii) the current amount of cash resources available of RMB3 million only as at 31 May 2026, is insufficient to be applied for general and other administrative expenses and staff costs in its usual operation; and (iv) the tight financial resources as the Group's general working capital provide very minimal financial flexibility for its daily business operation to capture business opportunities arise from its daily operation, it inevitably hinder the Group's business operation and profitability, we concur with the Directors' view that the Group has imminent funding needs for its general working capital and to support the normal day to day business operation.

Therefore, we concur with the Board's view that the strategic deployment of Net Proceeds to drive the Group's operational development may enable the Group to expand its market reach, serving a wider customer base and ultimately amplifying its long-term commercial value, thereby driving sustainable returns for the Company and the Shareholders as a whole. The deployment of any remaining fund from the Net Proceeds toward general working capital purpose will provide flexibility for the Group in its usual operation.

Suitable source of financing among other financing alternatives

As disclosed in the Letter from the Board, the Board has considered other alternative means of fund raising, including debt financing, placing and open offer.

Prior to resolving to the Rights Issue, the Group sought for debt financing possibilities from several financial institutions. As set out in the Letter from Board, the Group has explored alternative debt financing channels by approaching 2 financial institutions. However, the Company has been given to understand that, due to the Group's loss-making position, both financial institutions declined the Group's financing requests and no detailed terms were discussed.

The Board considers that raising funds by way of debt financing would compromise the Group's assets flexibility and hinder its development schedule. Thus the Group possesses limited leverage to secure debt financing, the debt financing could not be achieved under favorable commercial terms. The Directors also consider

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that relying on debt financing under such adverse market conditions would impose an unnecessary strain on the Group's future cash flows, which may hinder the Group's long-term development.

We have obtained from the management of the Company, the communication records between the Group and financial institution's representatives indicating the rejection of borrowing request of the Group in view of the loss position of the Group which the Group could not proceed to further discussion. Given that the Group has incurred losses and recorded operating cash outflows before movements in working capital since the financial year ended 30 June 2022 and there are not much assets in Hong Kong, it is reasonable that financial institutions have concerns over the Group's ability to service debt obligations. As a result, we consider that debt financing would not be a feasible option and less attractive for the Company.

The Board considers that it is more favourable for the Group to obtain equity fund raising to expand its business and broaden its income stream than debt financing.

As for equity fund raising (such as placing), it will be relatively smaller in scale as compared to fund raising through the Rights Issue, not to mention that placing of shares would lead to dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate. As for open offer, although it is similar to a rights issue in offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market.

We concur with the Board that the proposed Rights Issue is more favourable than debt financing despite the theoretical dilutions to the Shareholders having considered that (i) each Qualifying Shareholder is offered an opportunity to subscribe for the Rights Shares at the same Subscription Price in proportion to the Qualifying Shareholder's shareholding in the Company held on the Record Date, thereby maintaining their proportional shareholdings in the Company; and (ii) it might be difficult for the Group to obtain additional loans on favourable terms given its loss position in the past; and (iii) debt financing and additional bank borrowings will impose additional interest expenses burden to the Group and exacerbate its existing loss-making position, and debt financing is subject to repayment obligations; (iv) alternative funding sources, such as equity financing may present a more viable solution to address the Group's imminent need of fund for its daily operation, replenish its working capital, and for business development.

The Rights Issue is on a non-fully underwritten basis. As set out in the Letter from the Board, the Board expects that, should the actual net proceeds received are less than the expected fundraising amount, the shortfall will be funded by the Group's internal resources and/or alternative debt and/or equity financing as and when appropriate. In such circumstances, the Group may be required to secure additional loans to meet its working capital requirements and support the implementation of its business plans, including the procurement of Equipment. Also the Board considers that should the Rights Issue is not approved by the Independent

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Shareholders, or no proceeds will be available to the Group, while less optimal as compared to the Rights Issue, the Group expect to initiate negotiations with its lending banks to secure loan renewals or extensions, and will actively explore alternative fundraising channels, including but not limited to, the issue of securities under the general mandate of the Company, debt issuances, or shareholder loans, carefully balancing the cost of capital against the urgency of the Group's liquidity requirements.

To the extent that the Group obtains loan facilities, the Company will incur additional interest expenses, thereby increasing its financial burden, particularly given that the Group has been operating at a loss and its tight cash balance. For illustrative purpose, based on the proposed loan amount of HK\$58.5 million and the minimum bank interest rate of 3%, the annual interest expense would be no less than HK\$1.76 million. Apart from the obligation to service ongoing interest payments, the Group also need to secure sufficient funds for loan repayment.

Alternatively, the Group may consider undertaking private equity placements (potentially in multiple rounds) to raise the required funding. Unlike a rights issue, which entitles existing shareholders to subscribe for new shares or dispose of their nil-paid rights to mitigate dilution, private placement exercises do not provide shareholders with equivalent participation opportunities. Moreover, any equity fundraising, whether through rights issues or private placements, will inevitably dilute the interests of existing shareholders if they do not or are unable or not permitted to participate in the relevant exercise.

Fund raising exercise in the past

The Company has not conducted any fund-raising activities involving issue of its securities in the past 12 months immediately preceding the date of the Announcement.

Reference is also made to the placing completed by the Company on 19 April 2021, which raised net proceeds of approximately HK\$94.7 million, in which the unutilized proceeds of HK\$2.0 million are expected to be fully utilized by 31 December 2026 on the potential refurbishment of the Group's land and properties.

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(3) Principal terms of the Rights Issue

Set out below are the principal terms for the Rights Issue:

Basis of the Rights Issue	:	Three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$1.38 per Rights Share
Net price per Rights Share (i.e., Subscription Price less cost and expenses incurred in the Rights Issue)	:	Approximately HK\$1.31 per Rights Share (on the basis that all Rights Shares will be taken up)
Number of Shares in issue	:	14,900,529 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue	:	44,701,587 Rights Shares (assuming there is no change in the total number of issued Shares from the Latest Practicable Date up to and including the Record Date)
Total number of Shares in issue immediately upon completion of the Rights Issue	:	59,602,116 Shares (assuming there is no change in the total number of issued Shares from the Latest Practicable Date up to and including the Record Date)
Gross proceeds from the Rights Issue	:	Approximately HK\$61.7 million (assuming there is no change in the total number of issued Shares from the Latest Practicable Date up to and including the Record Date)

Assuming no Shares are issued or repurchased on or before the Record Date and assuming all Rights Shares will be taken up, 44,701,587 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 300% of the total number of issued Shares as at the Latest Practicable Date and (ii) 75% of the total number of enlarged issued Shares immediately upon completion of the Rights Issue.

As at the Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants, which confer any right to subscribe for or convert into or exchange for Shares as at the Latest Practicable Date. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

The subscription ratio was determined by the Board after balancing the Group's expected capital requirement as elaborated in the section headed "Use of Proceeds and Reasons for and Benefits of the Rights Issue" in the Letter from the Board against necessity of an attractive and accessible price entry as elaborated in the section headed "Subscription Price" in the Letter from the Board. To increase the acceptance of the Rights Issue in order to achieve the

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targeted amount of proceeds to be raised, the Subscription Price had to be set at an attractive discount, and any lower volume of Shares would not meet the Group's fundraising target. Whereas, higher ratios would enlarge the total share base and allow sizeable amounts of proceeds to be raised but would result in larger potential dilution impact on existing Shareholders should they do not or cannot take up their provisional allotments. Accordingly, the Board is of the view that alternative price/size ratio may either be insufficient to fulfill the Group's needs in expansion or may result in a potential bigger dilutions impact. After weighted the potential trade-offs, the Board is of the view that the subscription ratio under the Rights Issue is appropriate, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Subscription Price

The Subscription Price of HK\$1.38 per Rights Share is payable by a Qualifying Shareholder in full upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue, or where a transferee of the nil-paid Rights Shares subscribes for the Rights Shares. Each Qualifying Shareholder will be entitled to subscribe for the Rights Shares at the same Subscription Price in proportion to the Qualifying Shareholder's shareholding in the Company held on the Record Date.

The Subscription Price represents:

- (i) a discount of approximately 31.34% to the closing price of HK\$2.01 per Share as quoted on the Stock Exchange on the Last Practicable Date;
- (ii) a discount of approximately 28.13% to the closing price of HK\$1.92 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 31.82% to the average closing price of approximately HK\$2.024 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day;
- (iv) a discount of approximately 30.55% to the average closing price of approximately HK\$1.987 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to the Last Trading Day;
- (v) a discount of approximately 84.15% to the audited consolidated net asset value per Share of approximately HK\$8.709 (based on the latest published audited consolidated net asset value of approximately RMB112,348,000 (equivalent to HK\$129,761,940 based on exchange rate of RMB1 to HK\$1.155) as at 30 June 2025 and the total number of issued Shares as at the Latest Practicable Date);
- (vi) a discount of approximately 8.91% to the theoretical ex-rights price of approximately HK\$1.1515 per Share as adjusted for the effect of the Rights Issue, based on the closing price of approximately HK\$1.92 per Share as quoted on the Stock Exchange on the Last Trading Day; and

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(vii) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 23.86% to the theoretical diluted price of approximately HK\$1.541 per Share based on the benchmarked price of approximately HK\$2.024 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$1.920 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day of approximately HK\$2.024 per Share).

The theoretical dilution effect of the Rights Issue is approximately 23.86% and is in compliance with Rule 7.27B of the Listing Rules.

As disclosed in the Letter from the Board, the Subscription Price was determined by the Company with reference to, among others, (i) the size of the Rights Issue and the low level of liquidity, the discount strategy would lower the entry barrier and create an attractive proposition and encourage the participation of existing Shareholders in the Rights Issue to minimize passive dilution; (ii) the market price of the Shares under the prevailing market conditions in Hong Kong, where setting a discount to the recent market price allows a buffer for existing Shareholders and enhance marketability of the Rights Issue; (iii) the latest business performance and financial position of the Group with ongoing operational losses and tight cash runway, offering Rights Issue at a discount is a viable path to shore up capital without incurring heavy debt servicing burdens compared to debt financing; and (iv) the reasons and benefits of Rights Issue as discussed in the section headed “USE OF PROCEEDS AND REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE” in the Letter from the Board. For further elaboration of their view, please refer to the section headed “Subscription Price” in the Letter from the Board.

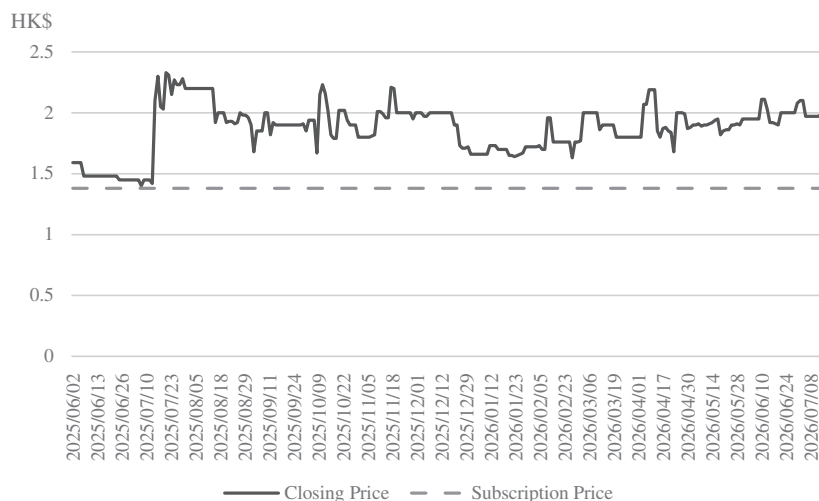
The Directors are of the view that the terms of the Rights Issue, including the Subscription Price and its underlying rationale, are fair and reasonable, on normal commercial terms, and are in the interests of the Company and the Shareholders as a whole.

Share price performance

In order to assess the fairness and reasonableness of the Subscription Price, we reviewed the daily closing price of the Shares as quoted on the Stock Exchange from 1 June 2025 up to and including the Latest Practicable Date (the “**Review Period**”), being a period of approximately 12 months immediately preceding the date of the Announcement up to and including the Latest Practicable Date.

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Daily closing price of the Shares during the Review Period



Source: the website of the Stock Exchange

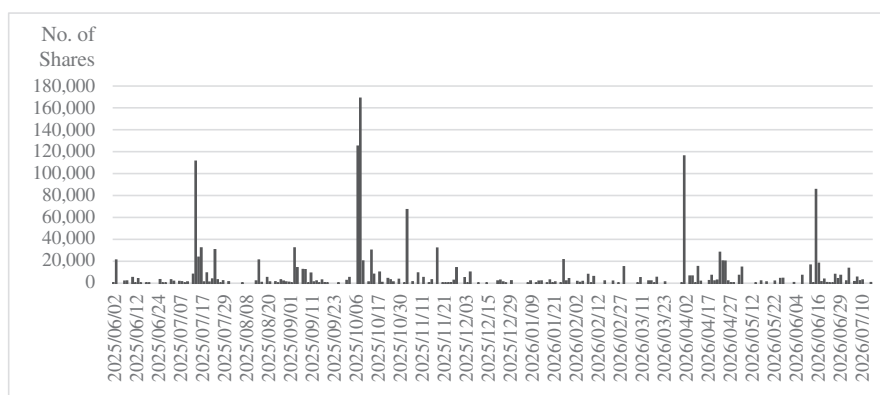
During the Review Period, the lowest and highest closing prices of the Shares as quoted on the Stock Exchange were HK\$1.4 recorded on 8 July 2025 and HK\$2.33 recorded on 21 July 2025, respectively.

The closing prices of the Shares fluctuated between HK\$1.4 and HK\$1.59 from the start of the Review Period to 14 July 2025. The closing prices of the Shares then surged to HK\$2.1 on 15 July 2025 and reached HK\$2.33 on 21 July 2025, the highest closing price of the Shares during the Review Period. Subsequently, the closing price of the Shares fluctuated between HK\$1.63 and HK\$2.31 during the period from 22 July 2025 up to and including the Latest Practicable Date.

Trading liquidity of the Shares

Set out below is the daily trading volume of the Shares during the Review Period:

Daily trading volume of the Shares during the Review Period



Source: the website of the Stock Exchange

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

Month/period	Average daily trading volume	Number of issued Shares at the beginning of each month	Percentage of average daily trading volume to the total number of issued Shares at the beginning of the month
2025			
June	1,807	14,900,529	0.0121%
July	10,700	14,900,529	0.0718%
August	1,752	14,900,529	0.0118%
September	4,078	14,900,529	0.0274%
October	19,019	14,900,529	0.1276%
November	6,746	14,900,529	0.0453%
December	1,094	14,900,529	0.0073%
2026			
January	1,782	14,900,529	0.0120%
February	1,275	14,900,529	0.0086%
March	1,391	14,900,529	0.0093%
April	12,121	14,900,529	0.0813%
May	1,852	14,900,529	0.0124%
June	7,235	14,900,529	0.0486%
July (up to and including the Latest Practicable Date)	2,516	14,900,529	0.0169%

Source: the website of the Stock Exchange

The above table illustrates that the average daily trading volume of the Shares by month was generally thin during the Review Period. The percentage of average daily trading volume to the total number of issued Shares at the beginning of the month ranged from approximately 0.0073% to 0.1276% during the Review Period.

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Since the Shares were generally illiquid in the open market, we are of the view that it would be difficult to attract the Qualifying Shareholders to reinvest in the Company through the Rights Issue if the Subscription Price was not set at a discount. We also concur with the Board that setting the Subscription Price at a discount to the recent market price of the Share serves as a buffer for existing Shareholders against future share price volatility. As such, it may encourage a higher subscription rate for the Rights Shares and optimise the total proceeds raised, allowing the Company to satisfy its various funding requirements.

Comparison with other rights issue transactions

In order to assess the reasonableness of the Subscription Price, we have reviewed recent rights issue transactions based on the following selection criteria: (i) the shares of the companies are listed on the Stock Exchange; and (ii) rights issues announced in the 3 months preceding the Last Trading Day, i.e. from 16 March 2026 and up to the 15 June 2026. Based on the above selection criteria, we have to our best effort, identified an exhaustive list of 19 comparable companies (the “**Comparables**”). We consider the selection of such 3 months period to be sufficient and appropriate for our analysis for fund raising exercises such as rights issues, as the market sentiment at the relevant time in general played an important role in the determination of the Subscription Price, while reasonable number of such fund-raising exercises could be included for reference purposes. Nevertheless, Shareholders should note that the businesses, operations and prospects of the Company are not the same as the Comparables and we have not conducted any in-depth investigation into the business, operations and prospects of the Comparables. Although the terms of the rights issues conducted by the Comparables may differ from that of the Company in terms of: (i) the principal activities, market capitalisation, profitability and financial position of the Comparables; (ii) the background of the respective rights issues and the proposed use of proceeds; and (iii) the subscription ratio, subscription price, dilution effects and the size of the respective rights issues, we still consider that the Comparables are fair and reasonable as they can provide a general reference to the Independent Shareholders on the recent range of discount of subscription price to the market price of the relevant shares of rights issue transactions in the equity capital market in Hong Kong.

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Details of our findings are summarised in the table (the “Comparables Table”) below:

Date of announcements	Company name	Stock code	Basis of entitlement	Maximum dilution on the shareholding %	Premium/ (discount) of the subscription price over/ to last closing price %	Premium/ (discount) of the subscription price over/ to 5-day average closing price %	Premium/ (discount) of the subscription price over/ to NAV per share %	Premium/ (discount) of the subscription price over/ to the theoretical ex-right entitlement price %	Theoretical dilution effect %	Excess Application Yes/No	Maximum gross proceeds HK\$ million	Placing commission %	Minimum placing commission HK\$ '000	
					(Note 1)	(Note 2)								
2026														
1	19-Mar	i-century Holding Limited	8507	1 for 1	50.0	(47.37)	(45.05)	88.68	(31.03)	23.68	No	40.00	N/A	400 (fixed)
2	20-Mar	WT Group Holdings Limited	8422	2 for 1	66.7	(9.91)	(10.39)	(64.79)	(3.57)	6.58	No	24.00	3.00	No
3	24-Mar	Alco Holdings Limited	328	4 for 1	80.0	(20.30)	(24.20)	N/A	(4.80)	21.00	No	126.00	1.50	No
4	26-Mar	Zhongsan Jianye Holding Limited	2503	2 for 1	66.7	(33.63)	(35.18)	(72.22)	(14.45)	23.45	No	343.30	0.50	No
5	27-Mar	China Health Technology Group Holding Company Limited	1069	2 for 1	66.7	(20.63)	(19.35)	(54.79)	(7.98)	13.76	No	51.50	4.00	No
6	14-Apr	FEG Holdings Corporation Limited	1413	1 for 2	33.3	(28.67)	(31.63)	(67.97)	(21.13)	11.25	No	35.10	1.00	No
7	16-Apr	Pa Shun International Holdings Limited	574	1 for 2	33.3	(72.88)	(69.04)	N/A	(64.18)	24.29	No	10.00	1.00	No
8	17-Apr	Hong Wei (Asia) Holdings Company Limited	8191	4 for 1	80.0	(16.13)	(10.47)	(85.43)	(3.70)	12.90	No	38.33	1.00	No
9	21-Apr	China Information Technology Development Limited	8178	1 for 2	33.3	(24.40)	(25.60)	(88.60)	(8.10)	9.50	No	10.33	1.00	No
10	27-Apr	Tasty Concepts Holding Limited	8096	3 for 2	60.0	(16.70)	(16.70)	42.90	(7.40)	10.00	No	28.90	3.00	No
11	29-Apr	Minerva Group Holding Limited	397	1 for 2	33.3	(19.10)	(17.70)	(91.80)	(12.60)	8.50	No	43.36	3.50	No
12	05-May	Citychamp Watch & Jewellery Group Limited	256	1 for 3	25.0	31.60	28.20	(88.90)	19.00	0.00	No	145.10	1.50	300
13	12-May	MTT Group Holdings Limited	2350	2 for 5	28.6	(64.29)	(65.01)	1.85	(57.10)	18.65	No	68.80	2.20	300
14	13-May	V & V Technology Holdings Limited	8113	1 for 2	33.3	1.12	5.88	(29.91)	0.67	0.00	Yes	32.70	N/A	N/A
15	21-May	MOG Digitech Holdings Limited	1942	1 for 2	33.3	(54.55)	(56.95)	(90.05)	(46.85)	18.98	No	44.60	1.00	No
16	28-May	APAC Resources Limited	1104	1 for 2	33.3	(33.49)	(35.50)	(63.24)	(25.14)	11.87	Yes	1,083.0	N/A	N/A
17	29-May	FDB Holdings Limited	1826	1 for 2	33.3	(20.60)	(1.20)	N/A	(14.80)	6.90	No	79.90	3.50	No
18	05-Jun	Gaodi Holdings Limited	1676	1 for 2	33.3	(12.44)	(12.44)	(51.90)	(9.00)	4.31	No	24.99	0.75	No
19	11-Jun	HKAI Capital Limited	1140	1 for 2	33.3	(18.50)	(24.70)	(93.50)	(17.90)	8.20	No	641.20	0.25	No
		The Company	73	3 for 1	75.0	(28.13)	(31.82)	(81.94)	(8.91)	23.86	No	61.7	1.00	100
				Maximum		31.60	28.20	88.68	19.00	24.29		1,083.00	4.00	
				Minimum		(72.88)	(69.04)	(93.50)	(64.18)	0.00		10.00	0.25	
				Average		(25.31)	(24.58)	(50.60)	(17.37)	12.31		151.11	1.79	
				Median		(20.60)	(24.20)	(66.38)	(12.60)	11.25		43.30	1.25	

Source: website of the Stock Exchange

Notes:

- The premium/discount of the subscription price over/to net asset value per share was extracted from the relevant announcement or circular of the Comparables. Where such information is not directly available from the above published sources, it is computed based on the reported net asset value as shown in the latest interim results or annual results of the Comparables divided by the number of issued shares as at the date of the relevant announcement of the Comparables. Some of these Comparables' figures are shown as “N/A”, which denotes that the relevant Comparable has net liabilities according to its latest published audited/unaudited consolidated financial statements.
- The theoretical dilution effect is calculated in accordance with Rule 7.27B of the Listing Rules or Rule 10.44A of the Rules Governing the Listing of Securities on GEM.

Subscription price

As shown in the above table, 17 out of the 19 Comparables had subscription prices at a discount to the closing price on the last trading day. The discount/premium of the subscription price to/over their respective trading prices prior to the release of the relevant announcements of the Comparables ranged from a discount of approximately 72.88% to a premium of approximately 31.60%, with an average discount of approximately 25.31% and median discount of approximately 20.60%. In the case of the Rights Issue, the Subscription Price represents a discount of approximately 28.13% to the closing price per Share as quoted on the Stock Exchange on the Last Trading Day, which falls within the range of the Comparables and is at a higher discount than both the average and median discount of the Comparables.

With regard to the discount/premium of the subscription price to/over the theoretical ex-entitlement price per share of the Comparables, they ranged from a discount of approximately 64.18% to a premium of approximately 19.00%, with an average discount of approximately 17.37% and median discount of approximately 12.60%. In the case of the Rights Issue, the Subscription Price represents a discount of approximately 8.91% to the theoretical ex-entitlement price per Share, which falls within the range of the Comparables and is at a lower discount than both the average and median discount of the Comparables.

With regard to the discount/premium of the subscription price to/over the net asset value per share of the Comparables, they ranged from a discount of approximately 93.50% to a premium of approximately 88.68%, with an average discount of approximately 50.60% and median discount of approximately 66.38%. In the case of the Rights Issue, the Subscription Price represents a discount of approximately 81.94% to the net asset value per Share of HK\$7.64 per Share (*calculated based on the net equity attributable to the owners of the Company of RMB102,791,000 and the issued Shares of 14,900,529 Shares as at 31 December 2025 and converted into HK\$ at the exchange rate of RMB1=HK\$1.107*), such discount to the net asset value falls within the range of the Comparables and at a higher discount than both the average and median discount of the Comparables.

The subscription discount relative to the closing price on the last trading day and the net asset value per share are both within the range of the Comparables, though at a higher discount than both the average and median discount of the Comparables. Nevertheless, having considered the Company's continuous loss-making position and the low liquidity of the Shares, we consider the deeper discount of subscription price to be fair and reasonable.

With regard to the theoretical dilution impact, the dilution of the Rights Issue of approximately 23.86% falls within the range of Comparables of approximately 0% to approximately 24.29%, and is higher than the average of approximately 12.31% and the median of approximately 11.25%. Such theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

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Having taken into consideration that:

- (i) in general, it is common for the listed issuers in Hong Kong to conduct rights issue at a discount to the market price in order to enhance the attractiveness of a rights issue transaction;
- (ii) the discount represented by the Subscription Price to the closing price of the Shares on the Last Trading Day and the discount represented by the Subscription Price to the theoretical ex-entitlement price fall within the respective ranges of that of the Comparables;
- (iii) the theoretical dilution impact of the Rights Issue falls within the range of the Comparables and such dilution percentage is in compliance with Rule 7.27B of the Listing Rules;
- (iv) the average daily trading volume of the Shares by month was generally thin during the Review Period; and
- (v) the interests of the Qualifying Shareholders will not be prejudiced by the discount of the Subscription Price so long as they are offered with an equal opportunity to participate in the Rights Issue,

we consider that the Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned.

Non-underwritten basis

As shown in the Comparables Table above, we noted that it is common for rights issues to be conducted on a non-underwritten basis as all of the 19 Comparables conducted/proposed to conduct their rights issues on a non-underwritten basis.

As mentioned in the Letter from the Board, subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully subscribed, any Unsubscribed Rights Shares and the NQS Unsold Rights Shares will be placed to independent placees on a best effort basis by the Placing Agent under the Compensatory Arrangements. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue. As the Rights Issue will proceed on a non-underwritten basis, any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken-up, the application of any Shareholder (except for HKSCC Nominees

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Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules.

Compensatory Arrangements

As disclosed in the Letter from the Board, there will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules. The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the rights.

Accordingly, on 15 June 2026 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and NQS Unsold Rights Shares to independent placees on a best effort basis.

Set out below are the principal terms of the Placing Agreement:

Date : 15 June 2026 (after trading hours)

Issuer : The Company

Placing Agent : Kam Fai Securities Company Limited was appointed as the Placing Agent to procure, on a best effort basis, placees to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares. It is a corporation licensed to engage in type 1 (dealing in securities) regulated activity under the SFO. The Placing Agent has confirmed that:

- (a) it and its ultimate beneficial owner(s) are Independent Third Parties; and
- (b) as at the Latest Practicable Date, neither the Placing Agent nor any of its associates hold any Shares.

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|--|---|--|
| Placing fee and expenses | : | The higher of HK\$100,000 or 1% of the gross proceeds from the subscription of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares successfully procured by the Placing Agent and reimbursement for the expenses in relation to the Placing (including but not limited to all the costs and out-of-pocket expenses relating to the Placing actually, reasonably and properly incurred by the Placing Agent with the prior consent of the Company), which the Placing Agent is authorised to deduct from the payment to be made by the Placing Agent to the Company at the completion of the Placing. |
| Placing price of the Unsubscribed Rights Shares and/or and the NQS Unsold Rights Shares (as the case may be) | : | <p>The final price determination will be dependent on the demand for and market conditions of the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares.</p> <p>The placing price of the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares (as the case may be) shall not be less than the Subscription Price.</p> |
| Placees | : | <p>The Unsubscribed Rights Shares and the NQS Unsold Rights Shares are expected to be placed to the placees who and whose ultimate beneficial owner(s) are Independent Third Parties, and not a party acting in concert with Mr. Kung within the meanings of the Takeovers Code.</p> <p>The Placing shall not trigger any implications under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing.</p> |
| Ranking of Unsubscribed Rights Shares and the NQS Unsold Rights Shares | : | The Unsubscribed Rights Shares and the NQS Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank pari passu in all respects among themselves and with the Shares then in issue. |

Please refer to the Letter from the Board for details of the Placing Agreement.

The placing commission under the Placing Agreement is the higher of HK\$100,000 or 1% of gross proceeds from the subscription of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares successfully procured by the Placing Agent. The Placing Agreement sets a minimum floor of placing commission to be received by the Placing

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Agent of HK\$100,000 (the “**Floor**”), which represents the amount of fee that will be paid to the Placing Agent, in the extreme event that none of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares was successfully procured by the Placing Agent.

For illustration purposes, based on 31,353,132 Rights Shares, being the maximum amount of Unsubscribed Rights Shares and the NQS Unsold Rights Shares assuming that nil acceptance by the Qualifying Shareholders of Rights Shares (except Mr. Kung’s subscription for the Committed Shares pursuant to the Undertaking) and all of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares having been placed by the Placing Agent, the maximum amount of placing commission is approximately HK\$432,673.

As shown in the Comparables Table above, 17 out of the 19 Comparables did not have excess application arrangement and have compensatory arrangement to place the unsubscribed rights shares and any unsold rights shares in their rights issues. As such, we consider that the absence of excess application arrangements in rights issues is not an uncommon market practice. Among these 17 Comparables, the placing commissions ranged from 0.25% to 4.00%, with average and median of 1.79% and 1.25% respectively. The commission rate of 1.0% for the Rights Issue is within the range of the Comparables and is below both the average and median of the Comparables.

We make reference to the rights issue of the Comparables and notice that in addition to the variable placing fee to be charged solely based on a certain percentage to the amount of funds to be raised by them, some of the placing fee are subject to fixed amount of cap or floor. Among these Comparables, there are 2 Comparables setting a minimum placing commission and both are set at HK\$300,000, and 1 Comparable setting a fixed placing commission of HK\$400,000. These floors/cap of these 3 Comparables (the “**Placing Commission Comparables**”) are all more than the Floor commission of our case. Nevertheless, the Placing Commission Comparables are fairly selected based on the same selection criteria as the other Comparables when analysing the Subscription Price and provide a general reference for the current market practice in setting placing fee for rights issue, which may take the form of either a purely variable amount or a variable placing fee with a floor/cap fee. We consider that the adoption of such floor/cap arrangements in the Comparables represents a commercial decision made by each company and is not unusual.

Among the 17 Comparables with placing as compensatory arrangement, all the placings were conducted on a non-underwritten basis with no guarantee of success. We also observe that the placing commission rate levels show no correlation with the amount of target funds to be raised. We consider that the placing fee and expenses to be charged by a placing agent may generally depend on, among others the marketability of the Shares, more fairly reflected by the historical liquidity, the discount of subscription price to market price, and historical business performance of the company. As discussed above, the Company is in a loss-making position for years, and the average daily trading volume of the Shares by month was generally thin during the Review Period. We also noticed that out of the 130 trading days between 1 January 2026 up to and including the Latest Practicable Date, there were 54 trading days, or approximately 41.5% of the trading days,

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with zero trading volume of the Shares. Taking into account the above, we consider that there may be difficulties to market the unsubscribed portion of the Rights Shares in prevailing market conditions.

Having considered that (i) the placing commission of 1.0% is less than both the average and the median of the placing commission charged by the Comparables with similar arrangements; (ii) setting a floor/cap placing commission is not exceptional in the market based on our study of the rights issues of the Comparables, and (iii) setting a floor placing commission may incentivise the placing agent to accept the placing engagement since it compensates and safeguards their efforts in marketing the Unsubscribed Rights Shares; we consider the placing commission under the Placing Agreement is fair and reasonable so far as the Independent Shareholders are concerned.

(4) Possible financial effects of the Rights Issue

It should be noted that the analysis below is for illustrative purpose only and does not purport to represent how the financial position of the Group will become upon completion of the Rights Issue.

Net asset value

According to the unaudited pro forma financial information of the Group set out in Appendix II to this Circular, the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 was approximately RMB90.84 million. Upon completion of the Rights Issue, the Group would have unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 being approximately RMB143.46 million.

Liquidity position

According to the 2025/26 Interim Report, the Group had bank and cash balances of approximately HK\$7.6 million as at 31 December 2025. Upon the completion of the Rights Issue, the bank and cash balances of the Group will increase as a result of the receipt of the Net Proceeds of approximately HK\$58.5 million (assuming all the 44,701,587 Rights Shares are subscribed). The Rights Issue will provide additional liquidity in the form of equity to the Group and therefore, will enhance its liquidity position.

Gearing ratio

The gearing ratio of the Group (represented by bank borrowings plus other borrowings less cash and cash equivalents, divided by total equity multiplied by 100%) was approximately 4.3% as at 31 December 2025. The Net Proceeds from the Rights Issue will enhance the cash position and increase the total equity of the Group immediately upon completion of the Rights Issue. The availability of the Net Proceeds for general working capital and business plan purposes will help reduce the tendency for additional borrowings, thereby reducing the future interest expense that would otherwise be incurred.

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In light of the above overall financial impact to the Group, we consider that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

(5) Potential dilution effect of the Rights Issue on the shareholding interests

All Qualifying Shareholders are entitled to subscribe for the Rights Shares. For those Qualifying Shareholders who take up their entitlements in full under the Rights Issue, their proportional shareholding interests in the Company will remain unchanged after the Rights Issue. Any Qualifying Shareholders who choose not to take up in full their assured entitlements under the Rights Issue will have their shareholdings in the Company diluted.

The possible dilution effect of the Rights Issue on shareholding interests is illustrated in the section headed “CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE” in the Letter from the Board. As in all other rights issues, the dilution on the shareholding of excluded shareholders and those qualifying shareholders who do not take up in full their assured entitlement under the Rights Issue is inevitable.

With reference to the Letter from the Board, the Rights Issue will result in a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 23.86%. We compared the Rights Issue with other rights issue transactions as set out in the table under “Comparison with other rights issue transactions” in the section headed “(3) Principal terms of the Rights Issue” in this letter. We noted that the theoretical dilution effect of the Rights Issue of approximately 23.86% falls within the range of the Comparables but is of more dilution than the average and mean of other Comparables.

The dilution effect of a rights issue is derived by the discount of the Subscription Price to the market price of the shares and the subscription ratio. As set out in the Letter from the Board, the subscription ratio was determined by the Board after balancing the Group’s expected capital requirement and against necessity of an attractive and accessible price entry as elaborated in the Letter from the Board. The Board is of the view that alternative price/size ratio may either be insufficient to fulfill the Group’s needs in expansion or may result in a potential bigger dilutions impact. After weighted the potential trade-offs, the Board is of the view that the subscription ratio under the Rights Issue is appropriate, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In arriving at our opinion as to the fairness of the subscription ratio, we have independently reviewed (i) the Board’s rationale for the subscription ratio as set out above; (ii) the Group’s funding requirements and intended use of proceeds; (iii) the level of discount of the subscription price compared to the Comparables; and (iv) alternative financing options considered and available to the Group.

We consider in determining the subscription ratio, the Board has properly balanced the Group’s capital requirements against the need for an attractive subscription price to secure broad shareholders’ participation. The Board has weighed these trade-offs and concluded that the selected structure offers the most reliable path to achieving the Group’s funding objectives.

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We also consider that while a higher ratio inevitably leads to greater dilution, the alternative of a higher subscription price with a lower ratio carries the risk of an under-subscribed Rights Shares that may fail to raise the required funds. The Company has limited debt financing available on acceptable terms as discussed above, thus the Company would still need to seek for alternative equity fund raising method, that are still inherited dilutive in nature. Accordingly, we are satisfied that the subscription ratio is fair, reasonable and in the interests of the Company and Shareholders as a whole.

Based on the following independent assessments, we concur with the view of the Board that the Subscription Price and the size of funds to be raised are fair and reasonable and thereby it is in the interests in the Shareholders despite the substantial potential dilution impact in case that the Qualifying Shareholders do not take up the Rights Shares:

- (i) the dilution effect complies with the Listing Rules and the discount to the closing prices is expected to attract more Shareholders to participate in the Rights Issue to maintain their respective shareholding interests in the Company and contribute to the Group's future growth and development;
- (ii) the size of funds to be raised reflects the reasonable amount of funds required to (i) implement the business initiative to improve various operational constraints facing its traditional business model through procurement of the necessary Equipment is expected to, among others, achieve operational efficiency, enhance profitability, capture more market potential, and maintain competitiveness, (ii) meet its imminent need of fund for working capital for its day to day operation and for repayment of loans as set out in the above sections. The use of Net Proceeds are in-line with its business strategy for both short term and long term need and align with the prevailing policies of the PRC government. These should be balanced against the potential dilution impact on Qualifying Shareholders who do not take up the Rights Issue;
- (iii) the Rights Issue is considered as the most suitable source of financing among other financing alternatives as discussed under "Suitable source of financing among other financing alternatives" under the section headed "(2) Reasons for the Rights Issue and use of proceeds" in this letter. Having considered the Group's financial position, and generally thin trading volume of the Shares during the Review Period (as referred in the paragraphs under "Trading liquidity of the Shares" in the section headed "(3) Principal terms of the Rights Issue" in this letter), it is inevitable that the Subscription Price has to be set at a discount to the prevailing market prices of the Shares to encourage the Shareholders to participate in the Rights Issue;
- (iv) when determining the subscription ratio, it is reasonable for the Group to take into account of its ongoing loss-making position and the low liquidity of the Shares, so as to appropriately balance the Group's capital requirements with the need to offer an attractive subscription price, to encourage broader shareholders' participation and ensure the successful raising of the required funds; and

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- (v) the Qualifying Shareholders who choose not to take up in full their assured entitlements may receive economic benefits from selling their nil-paid Rights Shares in the market.

We also consider that the potential dilution effects mentioned above should be balanced by the following factors: (i) the Rights Issue will provide the requisite funding for the procurement of equipment essential to the Group's business plan, which is expected to bring significant enhancement to its operational efficiency and improve the Group's loss-making position; (ii) the Rights Issue would enhance the Group's financial position and strengthen its capital base for business operation; (iii) provide additional funds for business development and general working capital of the Group; (iv) reduce the debt level and associated interest expenses of the Group through repayment of bank borrowings; (v) potential dilution to the shareholding interests of the Shareholders only happens to the Qualifying Shareholders who decide not to accept their assured entitlements in full; (vi) the Qualifying Shareholders are in fact given the opportunity to trade the nil-paid Rights Shares if they decided not to take up their entitlements in whole or in part; (vii) Compensatory Arrangements are available to structurally safeguard the economic interests of Non-Qualifying Shareholders; and (viii) all the Independent Shareholders have the opportunity to express their views on the terms of the Rights Issue through their votes at the EGM.

RECOMMENDATION

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

- (i) the proceeds from the Rights Issue which will be used to support its continuous business development and operations and serve as general working capital of the Group, is in-line with its principal business activities and business strategy of the Group and the policies of the PRC government as discussed above;
- (ii) having considered various financing alternatives available to the Group, the Directors believe the Rights Issue to be the most appropriate method of fund raising and in the best interest of the Company and the Shareholders, as opposed to other alternative means of financing as discussed in the paragraphs under "Suitable source of financing among other financing alternatives" under the section headed "(2) Reasons for the Rights Issue and use of proceeds" in this letter;
- (iii) the Subscription Price is fair and reasonable, the Company has made arrangements in accordance with Rule 7.21 and it is common for rights issues to be conducted on a non-underwritten basis as discussed in the section headed "(3) Principal terms of the Rights Issue" in this letter;
- (iv) each Qualifying Shareholder is offered an opportunity to subscribe for the Rights Shares at the same Subscription Price at the same subscription ratio for interest in the Company held on the Record Date; and

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- (v) the Qualifying Shareholders who choose not to take up in full their assured entitlements may receive economic benefits from selling their nil-paid Rights Shares in the market. Compensatory Arrangements are available to structurally safeguard the economic interests of Non-Qualifying Shareholders,

we consider that the terms of the Rights Issue are fair and reasonable so far as the Company and the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to recommend the Independent Shareholders, and we ourselves advise the Independent Shareholders, to vote in favour of the resolution relating to the Rights Issue at the SGM.

Yours faithfully,
For and on behalf of
SBI China Capital Hong Kong Securities Limited
Ringo Kwan
Managing Director

Mr. Ringo Kwan has been a responsible officer of Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) since 2005. He has participated in the provision of independent financial advisory services for various types of transactions involving companies listed in Hong Kong.

1. SUMMARY OF FINANCIAL INFORMATION

The financial information of the Group for the three years ended 30 June 2023, 2024 and 2025 and for the six months ended 31 December 2025 are disclosed in the annual reports of the Company for the years ended 30 June 2023, 2024 and 2025 and in the interim report of the Company for the six months ended 31 December 2025. The said annual reports and interim report of the Company are published on both the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.asian-citrus.com>):

Annual report of the Company for the year ended 2023

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/1030/2023103000541.pdf>

Annual report of the Company for the year ended 2024

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1029/2024102900449.pdf>

Annual report of the Company for the year ended 2025

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/1031/2025103100687.pdf>

Interim report of the Company for the six months ended 30 June 2025

<https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0319/2026031900984.pdf>

2. INDEBTEDNESS OF THE GROUP

As at the close of business on 31 May 2026, being the latest practicable date for the purpose of indebtedness statement of the Group prior to the printing of this circular, the Group had the following outstanding indebtedness:

	<i>RMB'000</i>
Unsecured bank borrowings (<i>note a</i>)	9,201
Unsecured other borrowings (<i>note b</i>)	701
Lease liabilities (<i>note c</i>)	<u>1,208</u>
	<u><u>11,110</u></u>

Notes:

- (a) At 31 May 2026, the unsecured bank borrowings are guaranteed by a director of a wholly-owned subsidiary.
- (b) At 31 May 2026, the other borrowings are unguaranteed and unsecured.
- (c) As at 31 May 2026, the Group had current and non-current lease liabilities of approximately RMB141,000 and RMB1,067,000 respectively which represented the outstanding lease liabilities in respect of the lease of warehouse.

Save as aforesaid and apart from intra-group liabilities and normal trade payables and other payables and accruals in the ordinary course of business, the Group did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance (other than normal trade bills), acceptance credits, hire purchase commitments, outstanding convertible debt securities or other similar indebtedness, any guarantees or other contingent liabilities at the close of business on 31 May 2026.

3. WORKING CAPITAL OF THE GROUP

The Directors, after due and careful enquiry, are of the opinion that, taking into account (i) the financial resources presently available to the Group including the internally generated funds and the currently available banking facilities; and (ii) the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its present requirements for at least 12 months from the date of this circular. The Company has obtained the relevant confirmations from the Company's auditor as required under Rule 14.66(12) of the Listing Rules.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there is no material adverse change in the financial or trading position of the Group since 30 June 2025, the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in (i) the planting, cultivation and sales of agricultural produce in the PRC (the “**Plantation Business**”); (ii) the distribution of fruits in the PRC (the “**Fruit Distribution Business**”); (iii) the distribution and installation of air-conditioners in the PRC (the “**Air-Conditioners Distribution Business**”); and (iv) the sales and distribution of consumables and others products.

Looking forward, while the Group is optimistic for the improvement to the PRC consumer market, the rate of recovery may vary and remain subject to macroeconomic uncertainties. The Group will use its best endeavours to deliver positive stable returns to its shareholders through effective operations of its existing viable businesses and constantly exploring and seizing new market opportunities.

As for the Plantation Business, the Group explored the feasibility of the plantation of various fruits, including watermelon and cantaloupe in the past. Going forward, the Group shall continue to conduct its assessments on the plantation of other fruits, subject to the positive outcome of the relevant internal feasibility studies and successful harvests, such may further improve and broaden the income base of the Group in the long run, and cautiously allocate internal resources to maximize shareholders' return as a whole.

As for the Fruit Distribution Business, attributable to fierce market competition as well as the deterioration of certain fruit quality, the Group will cautiously consider and evaluate the selection of suitable type(s) and quantities of the selected fruits to be purchased from multiple suppliers for the subject season, taking into account various factors, such as the changing customers' preference towards different type of fruits, and demand and supply in the market at the material time as well as price of the relevant fruits.

The Group's intended expansion into advanced cold-chain technology via the potential deployment of passive cold storage cabinets is poised to optimize and improve the operation and logistic for agricultural products and related fresh produce. For the Plantation Business, this infrastructure potentially positions the Group away from traditional, volume-dependent harvest windows toward a highly controlled, post-harvest ecosystem that preserves field freshness, eliminates immediate fire-sale pressures during peak crop gluts, and unlocks highly profitable anti-seasonal and time-lagged sales strategies. Concurrently, for the Fruit Distribution Business, the integration of these grid-independent, multi-modal mobile units could lay foundation for its logistics into an unbroken, untouched containerized network, thereby expand the Group's institutional customer base, and establish formidable advantages across the fresh produce market in the PRC.

As for the Air-conditioners Distribution Business, this segment is one of the major revenue sources of income of the Group. The Group will continue to deploy its resources in the Air-conditioners Distribution Business with an aim to attain improved economies of scale, greater bargaining power for price negotiation with suppliers and thus improve gross profit margin through expand its scale and revenue. In the coming year, the Company intends to build upon its existing business model and cautiously expand into more locations in the PRC. In evaluating new potential locations, the Group will take into account the following factors, including, where applicable, the Company's access to the local distribution channels, local competition among the brands the Company primarily sells, the upcoming property development projects within the catchment area and access to the supporting teams. Subject to the then prevailing status, the availability of the financial and other resources of the Group at the material time, the Group plans to further develop into other cities in the PRC where its competitive advantages would be beneficial to its business expansion.

The Board will continue to review the Group's operations, business and financial performances, and adopt various strategies to diversify the risk, subject to the prevailing market dynamics and opportunities, as appropriate.

For illustrative purposes, the financial information prepared in accordance with paragraph 4.29 of the Listing Rules is set out here to provide prospective investors with further information about how the financial information of the Group might be affected by completion of the Rights Issue as if the Rights Issue had been completed on 31 December 2025. The statement has been prepared for illustrative purposes only and because of its nature, it may not give a true picture of the Group's financial condition on the completion of the Rights Issue.

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

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules is set out to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group as if the Rights Issue had been completed on 31 December 2025.

The unaudited pro forma statement of adjusted consolidated net tangible assets is prepared for illustrative purpose only and, because of its hypothetical nature, it may not give a true picture of the financial position of the Group as at the date to which it is made up or at any future date.

The unaudited pro forma statement of adjusted consolidated net tangible assets is prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 31 December 2025, as extracted from the published interim report of the Company for the six months ended 31 December 2025, with adjustments described below.

			Unaudited pro forma adjusted consolidated net tangible assets of the Group per Share immediately after the completion of the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group per Share before the completion of the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group per Share immediately after the completion of the Rights Issue
	Unaudited consolidated net tangible assets of the Group as at 31 December 2025 RMB'000 (Note 1)	Unaudited estimated net proceeds from the Rights Issue RMB'000 (Note 2)	Unaudited pro forma adjusted consolidated net tangible assets of the Group as at 31 December 2025 RMB'000	Unaudited consolidated net tangible assets of the Group per Share before the completion of the Rights Issue RMB (Note 3)	Unaudited pro forma adjusted consolidated net tangible assets of the Group per Share immediately after the completion of the Rights Issue RMB (Note 4)
Based on maximum number of 44,701,587 Rights Shares to be issued	<u>90,839</u>	<u>52,616</u>	<u>143,455</u>	<u>6.096</u>	<u>2.407</u>

Notes:

- (1) The unaudited consolidated net tangible assets of the Group as at 31 December 2025 of approximately RMB90,839,000 is based on the unaudited consolidated net assets of the Group as at 31 December 2025 of approximately RMB101,352,000, as adjusted by exclusion of goodwill, intangible asset and cryptocurrencies of approximately RMB2,916,000, RMB2,239,000 and RMB5,358,000, respectively, as show on the unaudited condensed consolidated statement of financial position of the Group as at 31 December 2025 which no audit nor review report has been issued for the interim report of the Company published on 27 February 2026.
- (2) The estimated net proceeds from the Rights Issue is approximately HK\$58,635,000 (approximate to RMB52,616,000) which is based on 44,701,587 Rights Shares to be issued at the Subscription Price of HK\$1.38 per Rights Share and after deducting estimated related expenses, including among others, legal and professional fees, which are directly attributable to the Rights Issue, of approximately HK\$3,053,000 (approximate to RMB2,739,000).
- (3) The unaudited consolidated net tangible assets of the Group per Share before the completion of the Rights Issue is determined based on the unaudited consolidated net tangible assets of the Group as at 31 December 2025 of approximately RMB90,839,000 as disclosed in Note 1 above, divided by 14,900,529 Shares in issue as at 31 December 2025.
- (4) The unaudited pro forma adjusted consolidated net tangible assets of the Group per Share immediately after completion of the Rights Issue is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group immediately after completion of the Rights Issue of approximately RMB143,455,000 divided by 59,602,116 Shares which represents the sum of 14,900,529 Shares in issue and 44,701,587 Rights Shares to be issued.
- (5) For the purpose of this unaudited pro forma adjusted consolidated net tangible assets of the Group per Share, the balance stated in HK\$ is converted into RMB at exchange rate of RMB1 to HK\$1.1144 for illustration purpose only, and such translation does not constitute a representation that any amount has been, could have been, or may otherwise be exchanged or converted at the above rate.
- (6) Save as disclosed above, no other adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2025.

**B. INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****Moore CPA Limited**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION****TO THE DIRECTORS OF ASIAN CITRUS HOLDINGS LIMITED**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Asian Citrus Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information (the “**Unaudited Pro Forma Financial Information**”) consists of the unaudited pro forma statement of consolidated net tangible assets of the Group as at 31 December 2025 and related notes as set out in Part A of Appendix II to the circular dated 17 July 2026 (the “**Circular**”) issued by the Company in connection with the proposed rights issue on the basis of three rights shares for every one existing share of the Company (the “**Rights Issue**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Part A of Appendix II to the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Rights Issue on the Group's consolidated net tangible assets as at 31 December 2025 as if the Rights Issue had taken place on 31 December 2025. As part of this process, information about the Group's condensed consolidated financial position as at 31 December 2025 has been extracted by the Directors from interim report of the Company for the six months ended 31 December 2025, dated 27 February 2026, on which no audit nor review report has been issued.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

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

Our Independence and Quality Management

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

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

Reporting Accountant's Responsibilities

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

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules, and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions at 31 December 2025 would have been as presented.

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

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

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

Opinion

In our opinion:

- a. the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- b. such basis is consistent with the accounting policies of the Group; and
- c. the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Moore CPA Limited

Certified Public Accountants

Li Wing Yin

Practising Certificate Number: P05035

Hong Kong, 17 July 2026

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL

Assuming there is no change in the issued share capital of the Company from the Latest Practicable Date to completion of the Rights Issue and full acceptance of the Rights Shares, the authorised and issued share capital of the Company as at the Latest Practicable Date were, and immediately following completion of the Rights Issue will be, as follows:

(a) As at the Latest Practicable Date:

	Number of Shares	Nominal value of Shares HK\$
Authorised:	5,000,000,000	50,000,000
Issued and fully paid:	14,900,529	149,005

(b) Immediately after the completion of the Rights Issue:

	Number of Shares	Nominal value of Shares HK\$
Authorised:	<u>5,000,000,000</u>	<u>50,000,000</u>
Issued and fully paid:	14,900,529	149,005
Rights Shares to be issued:	<u>44,701,587</u>	<u>447,016</u>
Shares in issue immediately after the Rights Issue:	<u>59,602,116</u>	<u>596,021</u>

The Rights Shares, when issued and fully-paid, will be free from all liens, charges, encumbrances and third-party rights, interests or claims of any nature whatsoever and shall rank pari passu in all respects with the Shares then in issue, including as to the right to receive all dividends and distributions which may be declared, made or paid on or after the date of allotment of the fully-paid Rights Shares.

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

The Rights Shares to be issued will be listed on the Stock Exchange. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

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

3. DISCLOSURE OF INTERESTS

(a) Directors' and Chief Executive's interests and short positions in Shares, underlying Shares and debentures

As at the Latest Practicable Date, the interests or short positions of the Directors and the Chief Executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")), which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), are set out below:

Name of Director/ Chief Executive	Capacity	Number of Shares held	Approximate percentage of the issued share capital of the Company
Ms. Li Ziyang	Interest of spouse	4,449,485 (Note)	29.86%

Note: Ms. Li Ziyang (executive Director) the spouse of Mr. Kung, Ms. Li Ziyang is therefore deemed to be interested in all the shares in which Mr. Kung is interested under the SFO, which is 4,449,485 Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor Chief Executive of the Company and their associates had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Shareholders' and other persons' interests and short positions in Shares and underlying Shares

As at the Latest Practicable Date, so far as is known to the Directors, the persons or companies (other than the Directors and the Chief Executives of the Company) who/which had an interest or short position in the shares or underlying shares of the Company, which would fall to be disclosed under the provision of Divisions 2 and 3 of Part XV of the SFO, or which would be required, to be entered in the register required to be kept by the Company pursuant to section 336 of the SFO, are set out below:

Name	Capacity	Number of Shares held	Approximate percentage of the issued share capital of the Company
Mr. Kung	Beneficial owner	4,449,485	29.86%
Mr. Xu Guodian	Beneficial owner	1,381,215	9.27%
Changjiang Tyling Management Company Limited (<i>Note</i>)	Beneficial owner	896,261	6.01%
Mr. Ng (<i>Note</i>)	Interest in a controlled corporation	896,261	6.01%

Note: Changjiang Tyling Management Company Limited is 50% owned by Mr. Ng and 50% owned by an Independent Third Party. Mr. Ng (who is also a director of Changjiang Tyling Management Company Limited) is deemed to be interested in the 896,261 Shares held by Changjiang Tyling Management Company Limited by virtue of the SFO.

Save as disclosed above, the Directors are not aware of any other persons or companies (other than the Directors and the Chief Executive of the Company) who/which had interests or short positions in the Shares or underlying Shares of the Company, which would fall to be disclosed under the provision of Divisions 2 and 3 of Part XV of the SFO or were required to be entered in the register required to be kept by the Company under section 336 of the SFO.

4. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors were interested in any business which competed or was likely to compete directly or indirectly with the businesses of the Group.

5. DIRECTORS' INTERESTS IN CONTRACTS AND ASSET

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been, since the date to which the latest published audited accounts of the Company 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.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the date of this circular and which was significant in relation to the business of the Group.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any member of the Group which will not expire or is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened by or against the Company or any member of the Group.

8. QUALIFICATION AND CONSENT OF EXPERTS

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

Name	Qualification
Moore CPA Limited	Certified Public Accountants
SBI China Capital Hong Kong Securities Limited	a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, each of the experts above had given and had not withdrawn their written consent to the issue of this circular, with the inclusion of the references to their name and/or their opinion or report in the form and context in which they are included.

As at the Latest Practicable Date, each of the experts above did not have any shareholding, directly or indirectly, in the Company or any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any shares in any member of the Group, nor did it have any interest, direct or indirect, in any assets which had, since 30 June 2025 (being the date to which the latest published audited

consolidated financial statements of the Group were made up), been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

9. MATERIAL CONTRACTS

The following contracts (not being contract entered into in the ordinary course of business) have been entered into by the members of the Group within two years immediately preceding the issue of this Circular and are or may be material:

- (a) the loan agreement dated 11 July 2024 entered into among Shenzhen City Jiu Yuan Wan Jiang Huitu Technology Limited (as the lender) and Qichun Aimu Technology Company Limited (as the borrower) in respect of the granting of a loan in the principal amount of RMB5 million (the “**Loan**”) from the lender to the borrower;
- (b) the supplemental loan agreement dated 10 January 2025 entered into among Asian Citrus (H.K.) Company Limited (as the lender), Mr. Chen Wensheng (as the borrower) and Mr. Kung Chak Ming (as the guarantor) to extend the maturity date of the loan in the principal amount of RMB3 million that was granted by the lender to the borrower on 28 December 2023;
- (c) the supplemental loan agreement dated 9 April 2025 entered into among Shenzhen City Jiu Yuan Wan Jiang Huitu Technology Limited (as the lender), Qichun Aimu Technology Company Limited (as the borrower) and Hangzhou Leshu Digital Technology Co., Ltd. (as the guarantor) to extend the maturity date and revise the interest rate of the Loan;
- (d) framework agreement dated 30 June 2025 entered into between Shenzhen Jinlong Air Conditioning Electric Co., Ltd. and Shenzhen Jinlong Construction Engineering Co., Ltd. in relation to the purchase of electrical appliances (mainly air conditioners from Midea, and other white goods, such as refrigerators and rice cookers, subject to the availability and market needs from time to time);
- (e) the Undertaking; and
- (f) the Placing Agreement.

Save as disclosed above, no material contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or any other its subsidiaries within two years immediately preceding the date of this circular and up to the Latest Practicable Date.

10. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Executive Director	Ms. Li Ziyang
Non-executive Director	Mr. James Francis Bittl
Independent non-executive Directors	Mr. Liu Ruiqiang Mr. Wang Tianshi Mr. Zhuang Canbin
Authorised representatives	Ms. Li Ziyang 25/F Arion Commercial Centre, 2–12 Queen’s Road West, Sheung Wan, Hong Kong Mr. Tse Chi Hong 25/F Arion Commercial Centre, 2–12 Queen’s Road West, Sheung Wan, Hong Kong
Company secretary	Mr. Tse Chi Hong (member of the Hong Kong Institute of Certified Public Accountants and an associate member of The Hong Kong Chartered Governance Institute)
Registered office	Clarendon House 2 Church Street Hamilton Bermuda HM11
Principal place of business in Hong Kong	Room 2510, 25/F Arion Commercial Centre, 2–12 Queen’s Road West, Sheung Wan, Hong Kong
Branch share registrar and transfer office in Hong Kong	Computershare Hong Kong Investor Services Limited of Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai Hong Kong

Principal banker	Bank of China (Hong Kong) Limited 24/F Bank of China Tower 1 Garden Road, Central Hong Kong
	Nanyang Commercial Bank, Limited 151 Des Voeux Road Central Central Hong Kong
Auditor	Moore CPA Limited 1001–1010, North Tower World Finance Centre Harbour City, 19 Canton Road Tsimshatsui, Kowloon Hong Kong
Financial Adviser	Veda Capital Limited Room 27, Units 405–414, Level 4 Core E, Cyberport 3, 100 Cyberport Road Hong Kong
Legal Adviser	Keith Lam Lau & Chan Solicitors & Notaries 5th–7th Floors The Chinese Club Building 21–22 Connaught Road Central Hong Kong
Independent Financial Adviser	SBI China Capital Hong Kong Securities Limited 4/F., Henley Building No. 5, Queen’s Road Central Hong Kong
Placing Agent	Kam Fai Securities Co., Limited 21/F, Champion Building, 287–291 Des Voeux Road Central, Hong Kong

11. DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Executive Director

Ms. LI Ziying (“**Ms. Li**”) aged 33, joined the Board on 1 November 2023 as an -executive Director. Ms. Li has at least 7 years of working experience in the design, marketing and retailing industry mainly focused on the PRC market. Ms. Li has ample

experience in corporate planning and management. She is the sister-in-law of Mr. James Francis Bittl, a non-executive Director and being the spouse of Mr. Kung Chak Ming, a substantial shareholder of the Company as at the Latest Practicable Date.

Non-executive Director

Mr. James Francis BITTL (“**Mr. Bittl**”), aged 40, joined the Board on 16 June 2021 as a non-executive Director. Mr. Bittl received a MBA from The University of Chicago Booth School of Business in 2022, a Master of Arts from New York University in 2011 and a Bachelor of Arts from Bowdoin College in 2008. Mr. Bittl has ample experience in corporate planning and management. He is currently the managing director of World Force Trading Limited, a company principally engaged in real estate investment and general trading.

Independent non-executive Directors

Mr. LIU Ruiqiang (“**Mr. Liu**”), aged 62, joined the Board on 10 June 2021 as an independent non-executive Director. Mr. Liu graduated from Sun Yat-sen University with major in economics administration in July 1985. He has over 30 years of experience in the field of tax, accounting, auditing and finance. Mr. Liu is currently a certified public accountant of the Chinese Institute of Certified Public Accountants, a senior member of Shenzhen Institute of Certified Public Accountants and a registered tax agent in the PRC. He is a partner of 深圳市義達山河稅務師事務所有限公司 (Shenzhen Yidashanhe Certified Tax Agents Co., Ltd.*) and also a partner and director of 深圳市義達會計師事務所有限公司 (Shenzhen Yida Certified Public Accountants Co., Ltd.*).

Mr. WANG Tianshi (“**Mr. Wang**”), aged 42, joined the Board on 29 March 2022 as an independent non-executive Director. Mr. Wang obtained a master’s degree in business administration from the Harvard University in 2012. He is experienced in investment and business management. He is currently the managing partner of Hony Ventures, principally engaging in venture capital investments in consumer and technology.

Mr. ZHUANG Canbin (“**Mr. Zhuang**”), aged 32, joined the Board on 30 December 2024 as an independent non-executive Director. Mr. Zhuang graduated with a bachelor’s degree in finance from Shenzhen University in the PRC in 2015. He has substantive management and investment experience in blockchain technology and cryptocurrency industries.

Company Secretary

Mr. TSE Chi Hong (“**Mr. Tse**”) has been the Company Secretary of the Company since 3 July 2023. Mr. Tse has 15 years of experience in accounting, corporate finance and company secretarial matters. Mr. Tse obtained a Bachelor of Business Administration (Honours) in Accountancy from the Hong Kong Polytechnic University. He is a member of the Hong Kong Institute of Certified Public Accountants and an associate member of The Hong Kong Chartered Governance Institute.

12. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Company comprises all the independent non-executive Directors, namely Mr. Liu Ruiqiang, Mr. Wang Tianshi and Mr. Zhuang Canbin. The primary duties of the audit committee of the Company include the review of the Group's financial reporting process and the internal control systems as well as risk management of the Group.

13. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, placing commission, printing, registration, translation, legal and accountancy charges are estimated to be approximately HK\$3.2 million, which are payable by the Company.

14. DOCUMENTS ON DISPLAY

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

- (i) the letter from the Board, which sets out on pages 7 to 42 of this Circular;
- (ii) the letter from the Independent Board Committee, which sets out on page IBC-1 of this Circular;
- (iii) the letter from the Independent Financial Adviser, which sets out on pages IFA-1 to IFA-41 of this Circular;
- (iv) the letter issued by the reporting accountants regarding the unaudited pro forma financial information of the Group, which sets out in Appendix II of this Circular;
- (v) the written consents from the experts as referred to in the paragraph headed "8. Qualification and consent of Experts" in this appendix;
- (vi) the material contract(s) referred to in the paragraph headed "9. Material contracts" in this appendix; and
- (vii) this Circular.

15. MISCELLANEOUS

- (a) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (b) The English text of this circular and the accompanying form of proxy shall prevail over the respective Chinese text in the case of inconsistency.



ASIAN CITRUS HOLDINGS LIMITED

亞洲果業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 73)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an special general meeting (the “**SGM**”) of Asian Citrus Holdings Limited (the “**Company**”) will be held at United Conference Centre, Level 10, United Centre, 95 Queensway, Admiralty Hong Kong at 10 a.m. on Thursday, 6 August 2026 for the purpose of considering and, if though fit, passing the below resolution of the Company. Terms and expressions that are not expressly defined in this notice of SGM shall bear the same meaning as those defined in the circular of the Company dated 17 July 2026 (the “**Circular**”).

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon The Stock Exchange of Hong Kong Limited granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares (as defined below, in their nil-paid and fully-paid forms) to be allotted and issued to the shareholders of the Company (the “**Shareholder(s)**”) pursuant to the terms and conditions of the Rights Issue becoming unconditional:

- i. the issue by way of rights issue (the “**Rights Issue**”) of 44,701,587 ordinary shares (the “**Rights Share(s)**”) to the qualifying shareholders (the “**Qualifying Shareholders**”) of the Company whose names appear on the date (the “**Record Date**”) by reference to which entitlement under the Rights Issue will be determined (other than those shareholders (the “**Non-Qualifying Shareholders**”) with registered addresses outside Hong Kong whom the Directors, after making relevant enquiry, consider their exclusion from the Rights Issue to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place) in the proportion of three (3) Rights Shares for every one (1) share of the Company then held on the Record Date at the subscription price of HK\$1.38 per Rights Share and otherwise on the terms and conditions set out in the circular of the Company dated 17 July 2026 (the “**Circular**”) be and is hereby approved;

* For identification purposes only

NOTICE OF SGM

- ii. the Directors be and are hereby authorised to allot and issue the Rights Shares pursuant to the Rights Issue notwithstanding the same may be offered, allotted or issued otherwise than pro-rata to the Qualifying Shareholders and, in particular, the Directors may make such exclusions or other arrangements in relation to the Non-Qualifying Shareholders as they may deem necessary, desirable or expedient having regard to any restrictions or obligations under the restated bye-laws of the Company or the laws of, or the rules and regulations of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong; and
- iii. the Directors be and are hereby authorised to approve, sign and execute such documents and take any and all steps, and to do and/or procure to be done any and all acts and things which in their opinion may be necessary, desirable or expedient to implement and carry into effect this resolution and the Rights Issue.”

By order of the Board
Asian Citrus Holdings Limited
Li Ziyang
Chairman

Hong Kong, 17 July 2026

Registered Office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal Place of Business in Hong Kong:
Room 2510, 25/F
Arion Commercial Center
2–12 Queen’s Road West Sheung Wan
Hong Kong

Notes:

1. A form of proxy (as applicable) is enclosed.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.
3. Any member of the Company (a “**Member**” or the “**Members**”) entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A Member who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf at a general meeting of the Company. A proxy need not be a Member. In addition, a proxy or proxies representing either a Member who is an individual or a Member which is a corporation shall be entitled to exercise the same powers on behalf of the Member which he/she or they represent(s) as such Member could exercise.
4. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company’s branch share registrars, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for Members whose names appear in the Company’s branch register of members in Hong Kong and who hold Shares in certificated form) not less than 48 hours before the time appointed for holding the meeting (or any adjournment thereof) at which the person named in the instrument proposes to vote, or Computershare Investor Services (Jersey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, United Kingdom by 5:00 p.m. (UK time) on Thursday, 30 July 2026 (for Members whose names appear in the Company’s register of members in Jersey and who hold Shares in certificated form).

NOTICE OF SGM

5. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event the form of proxy shall be deemed to be revoked.
6. In the case of joint holders of any Share, if more than one of such joint holders be present at any meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company (the “**Register**”) in respect of the joint holding.
7. Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall be deemed to be present in person at any such meeting if a person so authorised is present thereat.
8. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 of the United Kingdom, only those Shareholders registered in the Register as of 30 July 2026 are entitled to attend or vote at the SGM of the Company in respect to the number of Shares registered in their names at that time. For Members whose names appear in the Company’s register of members in Jersey and who hold Shares in certificated form, in order to qualify for attending the SGM, all transfer documents, accompanied by the relevant share certificates, have to be lodged for registration with the Company’s branch share registrar in the UK, Computershare Investor Services (Jersey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, United Kingdom by 5:00 p.m. (UK time) on Thursday, 30 July 2026.

For Members whose names appear in the Company’s register of members in Hong Kong and who hold Shares in certificated form, the register of members of the Company in Hong Kong will be closed from Friday, 31 July 2026 to Thursday, 6 August 2026, both days inclusive, during the period of which no transfer of shares will be effected. In order to qualify for attending the SGM, all transfer documents, accompanied by the relevant share certificates, have to be lodged for registration with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 4:30 p.m. (Hong Kong time) on Thursday, 30 July 2026. Changes to entries on the Register after that time will be disregarded when determining the rights of any person to attend or vote at the SGM.

9. If a tropical cyclone warning signal no. 8 or above is expected to be hoisted or a black rainstorm warning signal is expected to be in force at any time between 8:00 a.m. and 5:00 p.m. (Hong Kong time) on the date of the meeting, the meeting will be postponed and Members will be informed of the date, time and venue of the postponed meeting by a supplementary notice posted on the respective websites of the Company and the Stock Exchange. If a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is lowered or cancelled at or before 8:00 a.m. (Hong Kong time) on the date of the meeting and where conditions permit, the meeting will be held as scheduled. The meeting will be held as scheduled when an amber or red rainstorm warning signal is in force. After considering their own situations, Shareholder(s) should decide on their own whether or not they would attend the meeting under any bad weather condition and if they do so, they are advised to exercise care and caution.
10. In case of bad weather condition as listed above, the Company would like to remind Shareholders that they should carefully consider the risks of attending the SGM, taking into account their own personal circumstances, especially that physical attendance in person at the SGM is not necessary for Shareholders to exercise their voting rights. The Company recommends that Shareholders may appoint the chairman of the SGM as their proxy to vote on their behalf and should submit their form of proxy as early as possible.
11. In case of discrepancy between the English version and the Chinese version of this notice of the SGM, the English version shall prevail.
12. As at the date of this notice, the Board comprises one executive Director, namely Ms. Li Ziying (Chairman); one non-executive Director, namely Mr. James Francis Bittl; and three independent non-executive Directors, namely Mr. Liu Ruiqiang, Mr. Wang Tianshi and Mr. Zhuang Canbin.